



**Finance Administration**  
215 N. Mason  
2<sup>nd</sup> Floor  
PO Box 580  
Fort Collins, CO 80522  
**970.221.6788**  
970.221.6782 - fax  
[fcgov.com](http://fcgov.com)

**AGENDA**  
**Council Finance & Audit Committee**  
**September 1, 2022**  
**4:00 - 6:00 pm**  
Zoom Meeting <https://zoom.us/j/8140111859>

Approval of Minutes from the August 1, 2022, Council Finance Committee meeting.

- |                                |          |                            |
|--------------------------------|----------|----------------------------|
| 1. Sustainable Revenue Update  | 70 mins. | G. Sawyer<br>J. Poznanovic |
| 2. Annual Adjustment Ordinance | 20 mins. | L. Pollack                 |
| 3. 2021 Fund Balance Review    | 30 mins. | B. Dunn                    |

**Council Finance Committee**  
**Agenda Planning Calendar 2022**  
**RVSD 08/23/22 ts**

<b>Sept. 1<sup>st</sup></b>	<b>2022</b>		
	Sustainable Revenue Update	70 min	G. Sawyer J. Poznanovic
	Annual Adjustment Ordinance	20 min	L. Pollack
	2021 Fund Balance Review	30 min	B. Dunn

<b>Oct. 20<sup>th</sup></b>	<b>2022</b>		
	Hold: E. Mulberry Follow-ups	30 min	D. Lenz S. Tatman- Burruss
	2023 Utility Rate Increases & MDM Appropriation Request	60 min	L. Smith
	Utilities Income-Qualified Assistance Program Structure	30 min	H. Young

<b>Nov. 3<sup>rd</sup></b>	<b>2022</b>		
	General Employee Retirement Plan (GERP) Annual Report	30 min	B. Dunn
	Financial Policy Updates	30 min	B. Dunn
	9/11 Memorial Park at Spring Park	30 min	N. Bodenhamer

<b>Dec. 1<sup>st</sup></b>	<b>2022</b>		





Finance Committee Meeting Minutes  
August 1, 2022, 4-6 pm  
Zoom

Council Attendees: Kelly Ohlson, Emily Francis (Acting Chair), Shirley Peel, Susan Gutowsky

Absent: Julie Pignataro

Staff: Kelly DiMartino, Tyler Marr, Rupa Venkatesh, Blaine Dunn, Randy Bailey, Logan Bailor, Trevor Nash, Amanda Newton, Jo Cech, Molly Reeves, Gerry Paul, Ginny Sawyer, Josh Birks, SeonAh Kendall, Seve Ghose, Victoria Shaw, Sylvia Tatman-Burruss, LeAnn Williams, Aaron Harris, Janice Seager, Peggy Streeter, Rebecca Everette, Lance Smith, Javier Echeverria, Dave Lenz, Sheena Freve, Tracy Ochsner, Brian Hergott, Jerod Cordell, Zack Mozer, Dianne Lapierre and Ken Draves, Poudre Library District, Carolyn Koontz

Others: Ann Hutchinson, Chamber  
Molly Bohannon, Coloradoan  
Chris Telli, CPA, FORVIS LLP  
Haley King, CPA, FORVIS LLP

---

Meeting called to order at 4:06 pm

Approval of minutes from the July 7, 2022, Council Finance Committee Meeting. Kelly Ohlson moved for approval of the minutes as presented. Shirley seconded the motion. Minutes were approved unanimously via roll call by; Kelly Ohlson and Emily Francis and Shirley Peel

## **A. Aquatics**

Seve Ghose, Director, Community Services  
LeAnn Williams, Director, Recreation  
Victoria Shaw, Manager, FP&A

## **EXECUTIVE SUMMARY**

---

The purpose of this work session is to provide updates since the March 22, 2022, council work session item on the aquatics system, initiated from discussion on potential spending at Mulberry Pool and direction for the Southeast Community and Innovation Center.



## GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

---

Staff is seeking feedback from Councilmembers on the following options related to the proposed Southeast Community Center and overall aquatics:

- **OPTION #1:** Build the Southeast Community Center with only the core amenities required to meet the ballot language. This configuration would require an outdoor leisure pool and innovation piece and be located at Fossil Creek Park. This option does not require any partnerships.
- **OPTION #2:** Meet the ballot language for the Southeast Community Center and address most significant overall aquatics systems needs with the addition of indoor leisure aquatics and 10 indoor lap lanes. This option requires partnerships with Poudre School District and Poudre River Public Library District to be feasible.
- **OPTION #3:** Meet the ballot language for the Southeast Community Center, address the most significant overall aquatics and recreation systems needs with the addition of indoor leisure aquatics, 10 indoor lap lanes, and a full-service community recreation center. This option requires partnerships with Poudre School District and Poudre River Public Library District to be feasible.

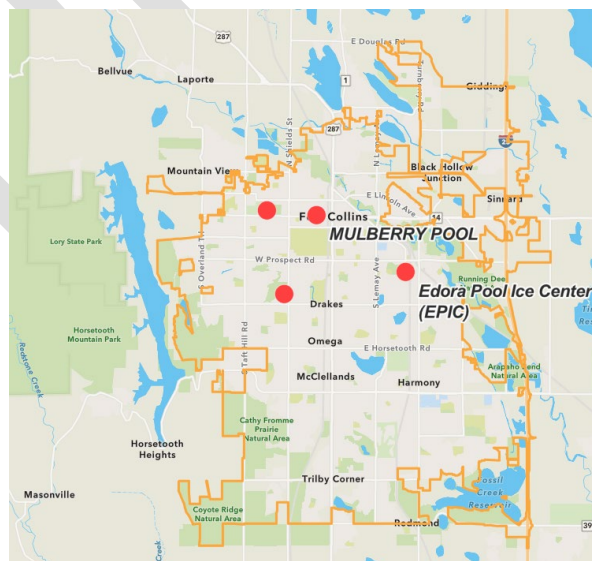
Staff is also seeking feedback on the direction to continue to pursue a partnership with PSD for the potential use of land adjacent to Fossil Ridge High School.

## BACKGROUND/DISCUSSION

---

In 2015, voters approved a Community Capital Improvement Program (CCIP) which included adding a Southeast Community Center with outdoor pool. The item outlined the Community Center would be focused on innovation, technology, art, recreation, and the creative process. The center was projected to require \$14M of CCIP funding for construction and include a large outdoor leisure pool with water slides, sprays and jets, decks, a lazy river, and open swimming area. Operations and maintenance costs of \$230K per year for 5 years was also estimated in the ballot item.

This facility will be run and programmed by recreation staff and add to the existing recreation aquatics offerings across the City. The current aquatics system in Fort Collins features four facilities and is geographically concentrated in the Northern region of Fort Collins, with no facilities south of Drake, as illustrated in the following map:



Regarding amenities, the existing system includes:

	<b>Mulberry Pool</b>	<b>Senior Center Pool</b>	<b>City Park Pool</b>	<b>Edora Pool</b>
Lap Lanes	✓	✓		✓
Family Aquatics	✓		✓	
Therapy pool or programs		✓		✓
Competitive Aquatics Center				✓ 50M Lanes
Instructional Programs	✓	✓		✓
Indoor Pool	✓	✓		✓
Outdoor Pool			✓	

In early 2022, staff worked with a consultant, Counsilman-Hunsaker, to study the existing aquatics system and presented findings at the March 22, 2022, council work session meeting. Key findings included:

1. Need for aquatic amenities in the southeast quadrant of the city
2. Need for additional training (lap) lanes, 6 at current population and 8 based on 2025 projected population
3. Need for additional recreation water
4. Leverage the existing user group relationships to support the additional facilities and amenities
5. Additional investment in Mulberry pool not recommended

Based on feedback received during the work session item staff has continued to explore a “fair share” approach to the aquatics system, and options to leverage existing user group relationships to support additional facilities and amenities. Staff has identified potential opportunities to partner with Poudre School District and Poudre River Public Library District, which would enhance the level of amenities that could be provided at the community center and address community needs beyond the base ballot language. Potential pathways to move forward could include:

1. Build the Southeast Community Center with only the core amenities required to meet the ballot language.
  - This configuration would require an outdoor leisure pool and innovation piece and be located at Fossil Creek Park.
  - This option does not require any partnerships.
  - Estimated project budget cost is \$13.35M+
  - Estimated operation costs are \$1M/year with cost recovery from programming of 40%
2. Meet the ballot language for the Southeast Community Center and address most significant overall aquatics systems gaps
  - This option would add indoor leisure aquatics and 10 indoor lap lanes in addition to meeting the ballot language.
  - This option requires partnerships with Poudre School District and Poudre River Public Library District to be feasible.
  - Estimated construction costs are \$42.95M+
  - Estimated operation costs are \$1.7M/year with cost recovery from programming of 47%
3. Meet the ballot language for the Southeast Community Center, address the most significant overall aquatics system gaps, and build a full-service recreation facility

- This configuration would add indoor leisure aquatics, 8-10 indoor lap lanes, and a full-service community recreation center in addition to the ballot language.
- This option requires partnerships with Poudre School District and Poudre River Public Library District to be feasible.
- Estimated construction costs are \$56.6M+
- Estimated operation costs are \$1.7M/year with cost recovery from programming of 77%

Exact configurations of amenities could be further refined and configured to target specific needs; however, these options represent the tiers of facility which are under consideration. Additional components for consideration include adjusting the number of gymnasiums, weight and fitness rooms, wet classrooms, preschool rooms, and adding outdoor lap lanes or indoor turf.

The City currently owns land at Fossil Creek Park that could be used as a site for the location. A potential partnership with Poudre School District for land and aquatics could expand opportunities for the location of the facility. Partnership with the Poudre River Public Library District would expand ability for the facility to achieve the ballot language focus of innovation, technology, art, recreation, and the creative process.

### **NEXT STEPS**

Staff will bring an aquatics item to the August 23, 2022, council work session meeting.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

Staff is seeking feedback from Councilmembers on the following options related to the proposed Southeast Community Center and overall aquatics:

- **OPTION #1:** Build the Southeast Community Center with only the core amenities required to meet the ballot language. This configuration would require an outdoor leisure pool and innovation piece and be located at Fossil Creek Park. This option does not require any partnerships.
- **OPTION #2:** Meet the ballot language for the Southeast Community Center and address most significant overall aquatics systems needs with the addition of indoor leisure aquatics and 10 indoor lap lanes. This option requires partnerships with Poudre School District and Poudre River Public Library District to be feasible.
- **OPTION #3:** Meet the ballot language for the Southeast Community Center, address the most significant overall aquatics and recreation systems needs with the addition of indoor leisure aquatics, 10 indoor lap lanes, and a full-service community recreation center. This option requires partnerships with Poudre School District and Poudre River Public Library District to be feasible.

Staff is also seeking feedback on the direction to continue to pursue a partnership with PSD for the potential use of land adjacent to Fossil Ridge High School.

### **DISCUSSION / NEXT STEPS**

Kelly Ohlson; we act like we have unlimited pots of money

It appears we get one next shiny object brought to us – one after another lacking context and the full picture - not presenting opportunity costs to Council – what don't we do if we do this  
I am for pools and recreation centers and community centers, but we don't have the funds.

I will have to see a lot of data and specifics;

1) How many regular Fort Collins residents (outside of teams) use indoor pools

- we are looking at between \$80M - \$100M in capital for two pools – a lot of money

(other than the teams that relates to the cost recovery formula)

2) Community prioritization – especially when we look at the number of people who use parks and what we need for parks refresh versus pools – I want to get the most bang for the buck - we don't get to have everything

We have gone from a \$13M Community Center to \$55M of city costs which is 4x

I want fairness in all of these proposals with our partners – in addition Council prioritization and usage numbers (teams) if we partner with the school district and /or the library district - that they pay their fair share based on their usage of the facility

I need details, details, details before we make any decisions

Who the partners may be and that they need to sign on to pay their fair share

We need to refresh parks - we can't seem to maintain or improve what we have and now we are talking huge numbers for pools.

I like the gross /net slide (see below)

### Capital Funding Options

#### 43.18 CCIP Fund

- 2023-2024 BFO offer: 15 Million

#### Other potential funding

- 11 Million CCIP Interest + Sales Tax Surplus
- Bond/COP

### Facility Capital Cost

**\$15M - \$54M**

Depends upon scope of facility

### Operations and Maintenance Funding

#### 2023-2024 BFO offers and beyond

#### Ops Services

2024: 1 FTE Aquatic Tech

2025: ~\$550,000

#### Recreation - 43.21 CCIP O&M

2024: **\$758,170**

2025: **\$1,029,932**

When you bring us operational costs in the future, make sure we have a gross what we think the income is and what the net will be

In a couple of the options, it appears that creative innovative center goes away - I thought that was in the ballot language

LeAnn Williams; that is the partnership with the Library District – they are in the business of innovation and makers space so that is their business, and they would do that with a partnership

Details, details, details,

Agreements up front of who shares what costs based on fairness in all appropriate categories not just construction or land swaps but in operations and maintenance too

Blaine Dunn; I forgot to mention at the top that this is an early look at the full aquatics picture and the southeast community center. We are bringing this forward to a full work session on August 23<sup>rd</sup> so We do want to hear all of your feedback about the facilities so we can work that information into what we bring forward for that full work session.

Kelly Ohlson; thank you – you always get points by bringing things to committees or council early. Any details you can add would be in your best interest if you want this to move forward

LeAnn Williams; we are having candid conversations with PSD about the fair share O&M - they have heard about fair share loud and clear, and the library district as well is 100% on board with that as well

Shirley Peel; great presentation – very succinct and clear – Can you remind me of the timeline on the ballot measure?

LeAnn Williams; there might be some flexibility on that which Seve or Blaine could address. The plan was to be completed by 2025 because once all of the projects are complete it releases the extra funding that is there, and they can go out for another new ballot measure

Design - late 2022 and 2023  
RFP in 2023  
Break ground end of 2023  
Construction 2023 - 2024  
Open end of 2024 or early 2025

Shirley Peel; is there a reason that we do outdoor pools in Colorado?

LeAnn Williams; people love them - lap swimmers love swimming outside most of the year City Pool is often at capacity - there are 20 some HOA pools in our community that open us seasonally

Shirley Peel; regarding Mulberry - do we have a timeline on when CSU might be willing to partner?

LeAnn Williams; we have had quite a few discussions with them on the SE facility -they were very much at the table as their Moby pool is older than Mulberry – there were talks of what the SE might look like but looking at the cost and proximity it really didn't make a lot of sense for them. We are happy to start conversations back up regarding Mulberry – what their timeline is, the fair share partnership, does it make sense.

Shirley Peel; you mentioned all of the HOA pools – seems like there are a lot of private / HOA pools in this area

LeAnn Williams; I have a diagram of where all of the HOA pools are in the city and am happy to share that diagram - I was going to put it in your council districts so you can each see what is in your districts

Shirley Peel; back to Kelly's point of who actually uses all these pools?

Who is going to use the pool in the SE if most HOAs already have pools?

I know that due to the ballot measure, it needs to be built in the SE but that would sway me to let's do the basic versus let's do more - (use of the pool, the community center, the facility) looking at the return on our investment

LeAnn Williams; based on the population in the community - we build for the folks in our community but believe from a revenue standpoint that folks in surrounding communities (Timnath, Windsor, etc.) will also use the facility. Most of the HOA pools are like backyard pools, rectangular pools with maybe 5 or so lap lanes used for neighborhood swim teams, water 4-6 feet deep.

Shirley Peel; trying to be forward thinking and to get the biggest bang for our buck and not just focus on the initial ballot language – it just comes down to money. We keep discussing this and decide what we have money for. What other entities (partners) are willing to do.

Emily Francis; when we did the study of how many lap lanes we needed – HOAs and gyms were not included, correct?

LeAnn Williams; correct, our consultants did not consider HOA or private pools like at Miramont.

Emily Francis; why didn't they include them?

Seve Ghose; based on their national measures which are typically with the public sector pool- it is hard to get numbers for private sector pools, so they don't typically track those

Emily Francis; I understand but I don't agree with them – for me – the context of the HOA and private pools is important because I don't think that a plan based on population is enough for me to support dramatically increasing what we have in the ballot language. It is not just based on population, but on what amenities people currently have access to and what they want to do. For me it is like when we discussed how many people have access to yards and parks – the same thing – if folks already have access to pools – may have different uses but pools are very expensive, and we need to be conscious of water usage as well so there has to be some give and take -

How many pools are we building? What is our responsibility as a city to provide that given in the context of people's neighborhoods

SE Pool if Mulberry is open and rebuilt and that would meet the need?

LeAnn Williams; correct

City Park has zero lap lanes, but it is an outdoor aquatic facility

The map (see below) shows all city aquatic facilities. Sr. Center pool has a few lap lanes. Mulberry has a little leisure and lap lanes. EPIC is lap lanes and a therapy pool and swim lessons which also happen at Mulberry. City Park pool is an outdoor leisure pool complex.



Our 10 existing facilities offer a mix of amenities and programming but are concentrated in the northern half of the City. \*The senior center is open to only adults 18 and over.

potential sites of SE facility

Our existing aquatic facilities are concentrated in the northern half of the City and don't meet the demand of residents for both indoor/outdoor leisure and indoor/outdoor lap lanes. \*The senior center pool is open only to adults 18 and over.



potential sites of SE facility

Emily Francis; how many dollars are we expecting from the ballot initiative?

LeAnn Williams; we asked for \$15M of CCIP for the next BFO cycle.

Blaine Dunn; the total capital amount from CCIP is \$17.6M  
Additional \$1.1M in O&M once that is built

Emily Francis; how many Community Centers are we planning?

LeAnn Williams; I will get that information and circle back – it is in the Master Plan

Seve Ghose; the 2013 feasibility study identified the Southeast area as well

LeAnn Williams; we have been talking about the Southeast for 10 years

Emily Francis; I think it makes sense to combine the community center, library, and pool.  
Better community building way to approach this. I also like the partnerships  
I agree with my fellow committee members that the agreements, operations & maintenance, and everything else is going to be pivotal in this moving forward.

We, as a community like to build the best, which is great for our community, but we don't have the dollars to continue to build at this level. Yes, a community center is needed, a pool is needed.  
My concern is that things get so costly because we want to include everything.  
How do we really distinguish between what is needed and what is wanted in the community?  
Has a chain effect on a lot of other things we are talking about – does that prevent us from rebuilding Mulberry or building another community center? More context is needed to make a decision because it does have a chain effect on many other things.

Kelly Ohlson; context of we like all these things too  
There was maybe 1 or 2 Council members who want more lap lanes. Include that context as you work on this.  
We are in the business of counting support on things.

3<sup>rd</sup> renovation of the Mulberry Pool - all very costly  
Complete scrap off and rebuilding to last another 50 years  
In the neighborhood of \$80M for the two pools – potential for 5-6 new pools on the 2 sites  
Number of lap swimmers – not teams  
We need details, details, details.  
Fairness on the cost sharing with partners  
How this meshes with parks refresh which cannot be lost in all of this  
Opportunity costs / trade-offs – if we do some of these things it could mean less dollars for affordable housing  
Adding 15 net new employees is \$2M a year gross

LeAnn Williams; in response to Emily's question – 2.1.1 in the Master Plan says construct the new southeast recreation center and consider 2 other community or neighborhood centers to serve the community's indoor recreation needs.

Blaine Dunn; summary

- Good feedback on what to bring to the work session – additional data and numbers
- More details on the partnerships we are looking at
- Make sure we are accounting for all pools (HOA and private)



## **B. Annual Financial Audit Results**

Blaine Dunn, Accounting Director  
Randy Bailey, Controller  
Chris Telli, CPA, FORVIS LLP  
Haley King, CPA, FORVIS LLP

### **SUBJECT FOR DISCUSSION**

Independent Auditors' Report on 2021 Financial Statements  
Independent Auditors' Report on Compliance for Major Federal Programs

### **EXECUTIVE SUMMARY**

FORVIS will be presenting an overview of the *Report to Council*. This report covers the audit of the basic financial statements and compliance of the City of Fort Collins for year-end December 31, 2021.

NOTE: The Annual Comprehensive Financial Report has been sent to the printer, but the printing has not yet been completed. We will get hard copies distributed as soon as they are available, for those requesting one. A copy of the report can be found online here:

[https://www.fcgov.com/finance/files/2021\\_City\\_of\\_Fort\\_Collins\\_ACFR\\_GAGAS.pdf](https://www.fcgov.com/finance/files/2021_City_of_Fort_Collins_ACFR_GAGAS.pdf)

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

Staff seeks input on areas of priority or concern, other than those established in this Report to the City Council, for matters of recordkeeping and/or the City's internal control environment.

Otherwise, there are no specific questions to be answered as this is a 2021 year-end report.

### **BACKGROUND/DISCUSSION**

In compliance with *Government Auditing Standards*, the City undergoes an independent external audit on an annual basis. FORVIS finalized its financial statement audit and compliance report on June 29, 2022, and the firm is required to report the results of the audit to those charged with governance.

Attachment 2 to this agenda item contains the full report, findings of note are summarized below:

*Other Findings (Attachment 2, pages 5-6):*

Other findings/deficiencies identified by the auditors but not rising to the level of a significant deficiency can be found in the Report to the City Council. Staff will provide a written response to the audit findings at a fourth quarter Council Finance Committee meeting.

### **DISCUSSION / NEXT STEPS**

---

Kelly Ohlson; does the Council Finance Committee get involved in selecting the auditing firm?

Blaine Dunn; we issued the RFP and then we make sure that all of firms that responded to the RFP met the qualifications and could do the job. We need an audit firm that can bring enough manpower and knowledge to the table to be able to perform the audit for us. We work with the Audit Committee to make the final decision. Before we issued the most recent RFP we had a code change that says we can only have the same auditor for 2 consecutive 5-year terms for a total of 10 years in order to get a fresh set of eyes every so often.

Kelly Ohlson; I am very comfortable. 10 years is a stretch for me - I like fresh eyes after 5 years.  
Directed to staff - I would like to see the summary of the first 3 years including the recommendations that you were given that you didn't respond to and why.

I agree that the Single Audit needs some attention. I also agree that the P-card issue needs to be taken more seriously - I felt this needed more attention even before the library district issue. It was pointed out in 2020, but we chose not to do anything about it. Why don't we take the P-card recommendation more seriously?

Blaine Dunn; the p-card recommendation was actually to remove that portion of the p-card policy that we do random audits because we have not been performing random audits. We did previously perform random audits so that is why it was in there. The discussion now is that we could remove that portion, but we are not sure as management that we want to remove that. We are determining if we want to restart our random audits and what that might look like.

Kelly Ohlson; I thought they were recommending that you do the random audits.

Blaine Dunn; nuance in words – in 2020, the recommendation was to remove that language from the policy but now, based on recent events, we are going back to do the random audits.

Kelly Ohlson; I would like to see the first 3 years of the recommendations - the ones we did not take - a few sentences to be included with your 4<sup>th</sup> quarter report out.

Blaine Dunn; got it – no problem

Shirley Peel; I saw that staff received a certificate of excellence for last year's finance report

Blaine Dunn; we have received that for the last 35 years

Shirley Peel; impressive - the percentages of errors is very low  
I was concerned when I saw the technology review and the p-card audit and  
I hope that we do take the recommendations seriously and that those concerns are addressed.

Blaine Dunn; when we bring back what has been done per our recommendations, we will work in conjunction with our IT colleagues on recommendations they have made on that side and where they are with all of those changes as well.

Emily Francis; they covered my questions, so I don't have any additional issues.

## C. East Mulberry: Potential Annexation Lenses & Phasing

Dave Lenz, Director FP&A

### EXECUTIVE SUMMARY

The purpose of this item is to provide Council with an overview of the potential annexation phasing lenses, assumptions, and corresponding financial modeling of the East Mulberry enclave. Staff have been evaluating a variety of possible approaches to a potential annexation and have developed five phasing lenses that encompass an underlying set of priorities and can help determine the order of approach to a potential annexation.

These phasing lenses have been utilized to create alternative five potential annexation scenarios. The financial implications of these scenarios have been modeled utilizing a fiscal impact modeling tool. Separate analysis has been performed for both the Governmental and Utility sectors of the City organization. A 20-year timeframe has been included as the base level of comparison across the scenarios. An additional 35-year analysis is also provided to highlight the impacts of accelerating or de-accelerating the potential annexation process.

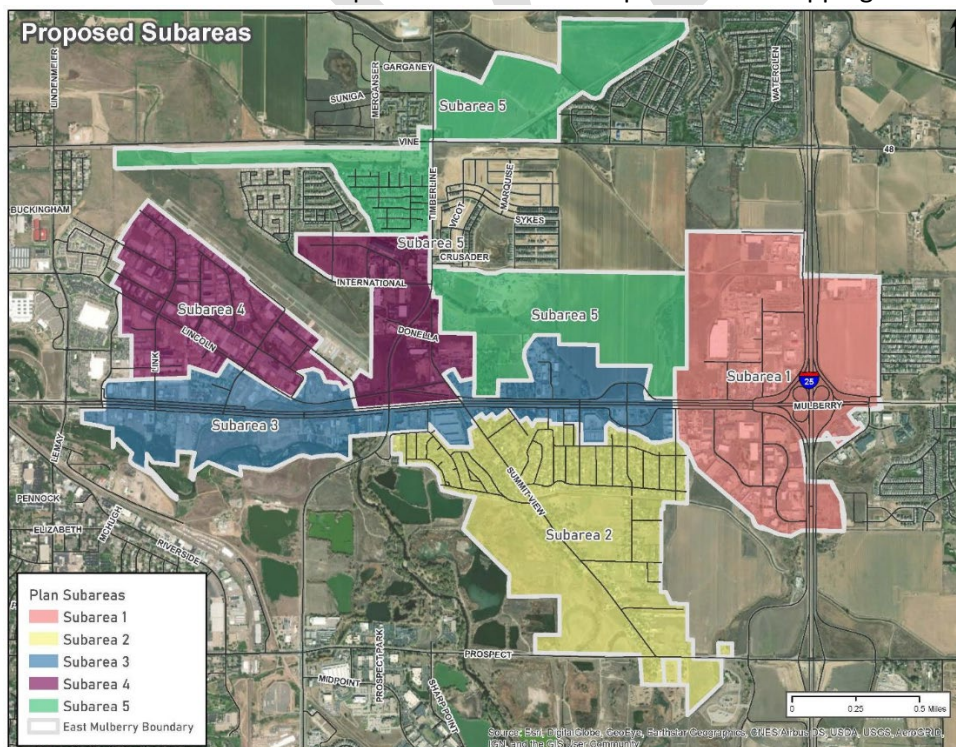
### GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- What aspects of each scenario would Council like to prioritize to further refine toward a potential future annexation scenario?
- What questions remain for Council regarding potential annexation phasing and timing?

### BACKGROUND/DISCUSSION

#### Phasing and Lenses

In order to facilitate a potential annexation evaluation, staff and outside consultants have divided up the East Mulberry enclave area into five subareas. These “boundaries” have been formed based on existing conditions and general land use designations. They are not specific recommendations but a necessary part of the exercise to establish a set of different potential annexation options. The mapping of the subareas is highlighted below.



Five phasing lenses have been created to articulate and depict the priorities, assumptions, and potential “benefits” or “drawbacks” to each scenario based on previously stated priorities by Council, community members, and City staff. Each of the scenarios includes a different sequencing and timing of all five subareas.

1. Economic Opportunity - Emphasizes economic development and vitality in the area
2. Residential Enhancement - Emphasizes connectivity, utilities, and other social priorities
3. Environment & Hazard Protection - Emphasizes environmental buffers, flood mitigation
4. Fiscal Health for City - Emphasizes fiscal impact to City of annexation, including existing priorities, risks, and timing
5. Community Gateway - Emphasizes improvements and reinvestment potential for the Mulberry Corridor, including the highway and frontage roads

These scenarios are theoretical and assume annexation within given periods of time. They can be adjusted by changing the underlying assumptions to produce different results. None of these scenarios are meant to be “staff recommendations” and are instead a starting point for conversation and analysis. More detail of on the character of each scenario are detailed in the accompanying presentation materials.

### Financial Impacts

For each of the five developed scenarios, the analysis presents a twenty-year timeframe and assumes annexation of all areas within the enclave. Depending on the timing of when a particular sub-area is annexed into the City, additional operating costs, capital, and asset management requirements will fall outside the twenty-year timeframe.

Summary high level financial projections are highlighted below. This breakout shows the total 20-year revenue, expense, and margin for both the governmental and utility sectors, in addition to average annual amounts over the 20-year period.

Scenario 1 – Economic Opportunity – 20 yrs.					Scenario 2 – Residential Enhancement – 20 yrs.				
(\$M)	Gov't.	Utility	Total	Avg. / Yr.	(\$M)	Gov't.	Utility	Total	Avg. / Yr.
Revenue	\$215	\$242	\$458	\$23	Revenue	\$122	\$121	\$243	\$12
Expense	(\$263)	(\$325)	(\$589)	(\$29)	Expense	(\$127)	(\$231)	(\$358)	(\$18)
Margin	(\$48)	(\$83)	(\$131)	(\$7)	Margin	(\$5)	(\$110)	(\$115)	(\$6)

Scenario 3 – Env. & Hazard Protection – 20 yrs.				
(\$M)	Gov't.	Utility	Total	Avg. / Yr.
Revenue	\$118	\$131	\$249	\$12
Expense	(\$180)	(\$240)	(\$420)	(\$21)
Margin	(\$62)	(\$109)	(\$171)	(\$9)

Scenario 4 – Fiscal Health for City – 20y rs.					Scenario 5 – Community Gateway – 20 yrs.				
(\$M)	Gov't.	Utility	Total	Avg. / Yr.	(\$M)	Gov't.	Utility	Total	Avg. / Yr.
Revenue	\$82	\$77	\$160	\$8	Revenue	\$108	\$102	\$209	\$10
Expense	(\$116)	(\$199)	(\$315)	(\$16)	Expense	(\$142)	(\$217)	(\$360)	(\$18)
Margin	(\$34)	(\$122)	(\$155)	(\$8)	Margin	(\$34)	(\$115)	(\$151)	(\$8)

Additionally, the following detail and analysis is included in the presentation materials:

- Each scenario also has more granular detail provided (Governmental Operating and Capital; Utilities Operating and Capital). The twenty-year timeframe is divided into four 5-year periods (Immediate, Short Term, Medium Term and Long Term).
- A more detailed twenty-year summary roll-up of the governmental and utility sectors is included as well.
- A 35- year alternative analysis highlighting the impacts of accelerating or de-accelerating the potential annexation process.

### **Funding Considerations**

Both the governmental and utility sectors will require additional funding to pursue a potential annexation. On the governmental side, no specific identified source of funding is currently available. Consideration to existing needs and council priorities will help inform the extent to which funding may be available in the future. On the utility side, mechanisms are in place to pay for additional requirements brought on by potential annexations, subject to impacts to existing projects and funding requirements, and the resulting impact to ratepayers.

### **Next steps**

October: Tentative - Council Finance Committee – Touchpoint / Follow-up  
November: Council Work Session – East Mulberry Plan Discussion / Financial Update  
Jan/Feb '23: Council Work Session – Draft East Mulberry Plan / Refined Assumptions

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

- What aspects of each scenario would Council like to prioritize to further refine toward a potential future annexation scenario?
- What questions remain for Council regarding potential annexation phasing and timing?

### **DISCUSSION / NEXT STEPS**

---

Kelly Ohlson; lots of information - well done – To clarify, we will consider phased annexation, we have not agreed to phased annexation. You hired a consultant – I would like to start with trusting the numbers – I am assuming staff looked at their methodology and vetted their numbers.

Dave Lenz; basically, they are creating the housing, the model – we engaged Economic Planning Systems early in the process - over 2 years ago. We have been working on the assumptions, methodology, framework of how they would evaluate this; number of businesses, development rates, how long it would take for parcels of land to develop, and it is correlated with our base line data - How we provide those services today and what it costs us to do that. We have done specific case studies for certain of our big areas; police services for example – how many officers, investigators, total headcount would we need for these big areas. We laid that existing data, our existing cost structure against the buildout and the particulars of those parcels of land and their existing structures - we have worked with them to bat down the methodology that they have used in a number of other places for potential annexation evaluations with a number of municipalities and entities on the front range and across the county. It is a combination - that is their sweet spot – model building for this type of annexation.

Kelly Ohlson; how do the voluntary annexations throw this plan off?

Dave Lenz; status quo – it is going to be parcel by parcel – so as a parcel comes in and there have been some that have happened since we started the evaluation – they basically excluded that out from the base of what we are going to have to incrementally go and add – all of the boundaries that we have, imagine geo coding

the whole area, moving parcels in and out and draw lines and if council decides to proceed with our further evaluation of this annexation, these options – our lines, the boundaries are going to look different – part of that will be we are going to decide to do an approach and part of it is that time will have marched on. So, over time we will refresh assumptions with updated data and delineate those lines out so that we include things that are going to come in or have comes in from the analysis of the incremental nature of what we would potentially bring in.

Kelly Ohlson; if council would decide at a work session for example, we want to do scenarios 3 and 4 or whatever and then all of a sudden some others voluntarily can come in that aren't in those - how we work those pieces of the puzzle?

Dave Lenz; it is still a planning study stage -if we get to the point where we want to pursue, things will get more refined as we start to look at thinks like getting the area surveyed precisely for different subgroups then we could parcel it out slightly differently - we aren't there yet with that discussion or input from council.

Kelly Ohlson; staff is doing exactly what we asked for, if we were doing anything, it would be slow and careful, incremental and we needed numbers. Thank you for scheduling enough time with Council Finance and with the full Council. When you say 5-year increments, does that mean if it is in the medium range and there are two geographic areas that they are both taking place in that 5-year timeframe?

Dave Lenz; that is right - we could pick a period for simplicity's sake, we assume that they came in at the same time kind of mid-pointed in there - we can move one forward and move one back, but they come in during that timeframe. Between 0-5 years is immediate.

Kelly Ohlson; in the southwest annexation - some of the lines still aren't underground – we make the decision not to do that – are some staying in the REA, or we just didn't get to it yet? Are those lines not going to be undergrounded and we are going to let REA continue? Are they our lines? There are some stormwater issues out there that haven't been dealt with and I think we are going on 10 years since annexation.

Lance Smith; regarding the southwest annexation, we do intend on providing electric service to all those customers. We have not provided service to all of those customers yet. We have yet to underground equipment for some of the customers we have been providing service to. That is just a matter of us trying to get there with all of the other capital work that we need to do and really the same applies to the stormwater there.

Kelly Ohlson; the last part of that was annexed in 2013 - at some point, some commitments and promises were made.

Rebecca Everett: I will just note on the question regarding the stormwater infrastructure in that area. The memo that we provided to council last week goes into more depth on some of the complexities, some of which relate to a lack of development activity on the timeline that we expected originally in some of those areas where there are the greatest deficiencies. A lesson learned from that area is that if we don't have a more proactive funding model in place to address some of those more regional deficiencies in stormwater infrastructure, it could take a long time for development activity to piecemeal enough funding together to address those issues. Some of it is the speed of development that has happened in some areas, and some is lack of a special improvement district or URA or other funding sources for those improvements.

Kelly Ohlson; we have to be very careful with promises we make on East Mulberry and the timeframes.

What we do is very complex, we need to proceed cautiously because it didn't quite work out the way we planned on the southwest annexation for valid reasons. I don't know why existing rate payers should pay for utility upgrades, electrical infrastructure to new annexations. I don't understand how 90% of that is fair. Opportunity costs - If we spend it here then we don't spend it on affordable housing or parks refresh. It's that chart I would like to see about Council options. You say - 'If we take one option, it will open land up for new development' that can be good or bad - I am talking about the fairness issues. I am not for using taxpayer and rate payer dollars to give to private landowners - if they want to improve the infrastructure and the stormwater in order to develop their property then that is their right - I am not interested in charging the taxpayers or the rate payers for new development. It is not fair that our taxpayers, residents, and rate payers pay millions of dollars in order to open up more land for development to the benefit of the private landowner. I will be digging my heels in very strongly on that point.

Emily Francis; I am interested in what we have done historically with land development and utilities.

Lance Smith; we have done both - the southwest annexation was a non-voluntary annexation. \$3M of the fees spread across existing rate payers across the city. Typically, when it is a voluntary annexation, we only spread fees within the annexed area. Voluntary or non-voluntary, it is up to council's discretion.

Emily Francis; I would like more information on why those decisions were made and what were the impacts. What we have seen and learned from this both ways. It was a great presentation - so much information that there is not a clear story or trade off or things to consider.

Dave Lenz; it is more, what would we as a council want to focus on from a priority standpoint. We want to solve or work on affordable housing, or we want to work on transit. What we have right now is representative of how we think it would look but we don't have the specifics.

How much do we think it is going to cost? We can refine that by saying that we want to focus on the transit corridor and stormwater then we can go back and sharpen our pencils and create something that is more realistic around things Council would like to solve. Focus on specific priority that is where we are saying focus on priorities. You are right, this is a lot of information. For example, saying we want a residential spur from the residential area in the southeast to the industrial area in the northwest - we want to connect that via transit. What does that look like in terms of actual dollars? We can come back with refined scenarios with a lot less cases.

Emily Francis; It would be helpful for us to know where there are red flags. For example, if you go down this path, this is what you are going to have to consider and here are the tradeoffs or this option is more fiscally responsible, but you may not get the outcomes that you want. How do we layer together the story of fiscal impacts to the city, the risks we are taking and the benefits we could get and / or negative consequences. That would help inform a decision. If we wanted to prioritize housing and transit - these huge things over 20 years - is there an option for us to look at that is more of a blended approach? More staging in - we don't want people to move in there and then we have stormwater issues, no transit, and no businesses to support the people living there. How do you blend scenarios together, so they come together in a more gradient approach.

Dave Lenz; that would be marrying those two things; a place to live and a way to get there. Let's create an area where that would be a geography that we could focus on - do a plan on how you would achieve that - approach on a geographical basis. Match priorities together - put some more specific programs to those things - then what does that look like? We need prioritization - again we can align to the existing priorities - and this adds in this additional boundary - some of the things we can do will match up like regional transportation and greater good things we are already doing - meshed in very well for an existing effort.



Emily Francis; even though we have so much information, I am still not hearing... ok, so let's say we want to prioritize neighborhoods / housing so what are the tradeoffs with that? With each one, there are also negatives to think about. The approach I would like is balanced, phased in, a community and human based approach.

Dave Lenz; I am getting a good picture of what you are looking for. We have been working on the East Mulberry plan, scenarios, what it is going to cost. So, it is really bringing that plan of potential annexation scenarios a little more together so we can flesh out a plan that addresses the priorities we want for this area.

Define risk

Define financial need

Define what could happen.

The consequences of not having unlimited dollars to do something - it takes time.

Communication, expectations, long time planning horizons are very important to this.

We started southwest a long time ago and we aren't done. Mulberry is bigger and more complex.

We do need to have that target and vision of what we are wanting to head toward and the realization that we have to adjust along with other priorities.

Shriley Peel; a lot of my questions are out in the weeds, things that will be flushed out as this moves forward.

I do like the way you laid out the different scenarios. It was very helpful to me to see the dollar amounts.

I would like to see more of a guiding principle that would include which one is the most economically feasible, which one causes the least hardship and disruption with the most benefits to the residents. Which one fits in best with our plans? If we could use that as our guiding framework. Looking at South College, it didn't seem like that kind of framework was there or maybe it just didn't flesh out that way.

To Rebecca Everette - I did read the South College report – it was very well done and was very helpful for me. I appreciate that. I hope we are going to address the issues that arose with South College annexation before we jump into this Mulberry annexation.

Dave Lenz; the lessons learned are reflected in our approaches to how we want to do this.

That is why we want to do a phased approach and why we want to go slow. We need to show long term horizons and be careful about what our ability to deliver on commitments is from a financial constraint perspective and realize that we have a lot of other priorities. We are in the early stages of planning on this - we are going slow at the pace we think you want/

Kelly Ohlson; I want to support Emily's idea – this is not easy stuff - you start with the numbers

The next time this is brought to the Council Finance Committee, we would like some words to match the numbers. You can see what our priorities are – these are some positives, some negatives, tradeoff, unknowns/

This is the good stuff we want – this is what we might give up with this scenario. Starting with the number is the right way - now we need to see it in descriptive terms what those numbers might mean.

Blaine Dunn; right now, we have a tentative hold to bring this back to Council Finance in October before a full work session.

#### Summary

- Defining trade offs
- Guiding principals
- How different tradeoffs might affect council priorities
- The opportunity costs that this might present with the current priorities and what we be wanting to do elsewhere in the city



- Some additional information on any impacts to rate payers
- Provide words to match the numbers
- Start to build some context around the annexation options and what that looks like in terms of services

Meeting adjourned at 6:40 pm

DRAFT



## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Ginny Sawyer, Sr. Project Manager  
Jennifer Poznanovic, Sr. Revenue Manager

**Date:** September 1, 2022

**SUBJECT FOR DISCUSSION:** Sustainable Funding Update

### **EXECUTIVE SUMMARY**

The purpose of this item is to further refine possible new revenue models and to seek direction on best use of the upcoming December Work Session on revenue.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

1. Does CFC want to recommend or eliminate any of the models presented?
2. Does CFC agree with proposed Work Session direction and questions?
3. What additional information should be included at the Work Session in December?

### **BACKGROUND/DISCUSSION**

Over the past several years, masterplan developments and updates have identified clear funding needs in the areas of parks and recreation, transit, and housing. Along with these needs and the criticality of the City climate action goals, Council Finance Committee has asked for climate funding needs to be included in funding conversations. Annual shortfalls range from six to twelve million per area.

Funding needs identified and discussed previously include:

- Parks & Recreation - \$8 to \$12M annual shortfall (Parks & Recreation Master Plan)
- Transit - \$8M to \$10M annual shortfall (Transit Master Plan)
- Housing - \$8M to \$9.5M annual shortfall (Housing Strategic Plan)
- Climate - \$6M+ annual shortfall (Our Climate Future Plan)

Staff continues to work with CFC to further refine both the needs and the potential funding mechanisms to close the gaps. This work includes on-going Council Finance meetings, Work Sessions with the full Council, developing an engagement plan, and ultimate implementation.

Discussions and feedback to date have highlighted a desire to:

- Clearly define and articulate revenue needs and level of service considerations.
- Thoroughly research funding options including impacts and the context of existing and potential new tax measures (local and regionally.)
- Work to keep overall resident impact and tax burden as low as possible.
- Consider existing dedicated tax renewals and associated election timelines in a strategic manner.

**Timeline:**

#### To date:

- *December 2021:*
  - Begin discussions on identified funding gaps.
- *January 2022:*
  - Deeper dive with CFC on the projected gaps in each area.
- *March 2022:*
  - Meet with CFC to review all possible revenue mechanisms.
- *April 2022:*
  - Full Council work session to review work to date.
- *June 2022:*
  - CFC to discuss most feasible funding mechanisms and targeted funding amounts.
- *September 2022:*
  - CFC to refine various funding models and considerations for addressing gaps and seek direction on the best use of the December Council Work Session.
  -

#### Future:

- Refine acceptable funding mechanisms and how to direct funding.
- Determine election cycle for which, if any, any voter approved mechanisms.
- Engagement efforts.

### Potential Funding Mechanisms

Numerous potential funding mechanisms have been discussed with CFC. Of those discussed previously, sales tax, property tax and excise taxes have emerged as the most feasible. The table below demonstrates the potential revenue gain along with any annual impact to residents.

Category	Funding Mechanism	Annual Revenue Estimate	Resident Impact
Sales Tax	¼ Cent Sales Tax (dedicated, ongoing or repurpose)	\$9M+	<ul style="list-style-type: none"><li>• <b>\$30.67</b> average per/year for a resident</li><li>• Sales tax on food would remain at 2.25%</li><li>• Visitors also impacted</li></ul>
Property Tax	1 Mill Property Tax	\$3.5M	<ul style="list-style-type: none"><li>• Residential annual increase of <b>\$21.45</b></li><li>• Commercial annual increase of <b>\$87.00</b></li></ul>
	2 Mill Property Tax	\$7M	<ul style="list-style-type: none"><li>• Residential annual increase of <b>\$42.90</b></li><li>• Commercial annual increase of <b>\$174.00</b></li></ul>
	3 Mill Property Tax	\$11M+	<ul style="list-style-type: none"><li>• Residential annual increase of <b>\$64.35</b></li><li>• Commercial annual increase of <b>\$261.00</b></li></ul>
Excise Tax	5% Tax on Specific Goods	\$5M	<ul style="list-style-type: none"><li>• <b>\$5 per \$100 purchase</b> in Fort Collins</li><li>• Visitors also impacted</li></ul>
User Fee	\$5 Monthly User Fee	\$4M	<ul style="list-style-type: none"><li>• <b>\$60</b> annually/resident</li></ul>
	\$10 Monthly User Fee	\$8M	<ul style="list-style-type: none"><li>• <b>\$120</b> annually/resident</li></ul>
	Commercial User Fee	TBD	<ul style="list-style-type: none"><li>• TBD for commercial properties in Fort Collins</li></ul>
Capital Expansion Fee	Reconfigure/ Broaden Application	\$2M	<ul style="list-style-type: none"><li>• Net neutral for residential and commercial permit fees</li></ul>

The mechanisms above include both taxes and fees. Taxes require voter approval and can be used for any public purpose authorized by City Council. Fees do not require voter approval and they can only be imposed on those likely to benefit from the service funded with the fee.

### **Targeted Funding Option Considerations**

In June, staff drafted five scenarios which targeted a diversity of funding sources totaling amounts between \$10M and \$40M. These scenarios were not intended to be final or recommended options. They were intended to demonstrate the flexibility and variable means and ways to add additional revenue to cover the identified gaps. CFC supported potential revenue ranges of \$25 to \$35M.

From those five models, three are included in these materials. Total revenue amounts vary from \$25M to \$34M with anticipated impacts to residents ranging from \$95 annually to \$215 annually. The models focus on property tax, sales tax, excise tax, and a possible user fee.

The potential of an emitter tax/fee has not been included but will be added as a policy question to a future CFC meeting.

Staff has also included information for consideration on which funding mechanisms may be best targeted to particular funding needs.

### **Proposed Next Steps**

- Council Work Session December 13, 2022.
- February CFC meeting to review and discuss election cycles.
- Schedule additional conversation on carbon incentives/penalties?

### **ATTACHMENTS** (numbered Attachment 1, 2, 3,...)

1. Sustainable Funding Update (PPT)





# **SUSTAINABLE FUNDING UPDATE**

Council Finance Committee



## Sustainable Funding Work-to-Date

- Introduction of Topic: Sustainable Revenue

- Funding Mechanisms & Early Scenario Planning

- Work Session Direction and Questions



- Deep-dive on Identified Needs: Parks & Rec, Transit & Housing

- Funding Mechanisms and Potential Funding Levels

- Election options will be known for timeline considerations

## PARKS



Masterplan Projects  
\$8-12M Annual Gap

## TRANSIT



Masterplan to Build Out  
Projects  
\$8-10M Annual Gap

## HOUSING



To Achieve 10%  
Affordable Housing Stock  
\$8-9.5M Annual Gap

## CLIMATE



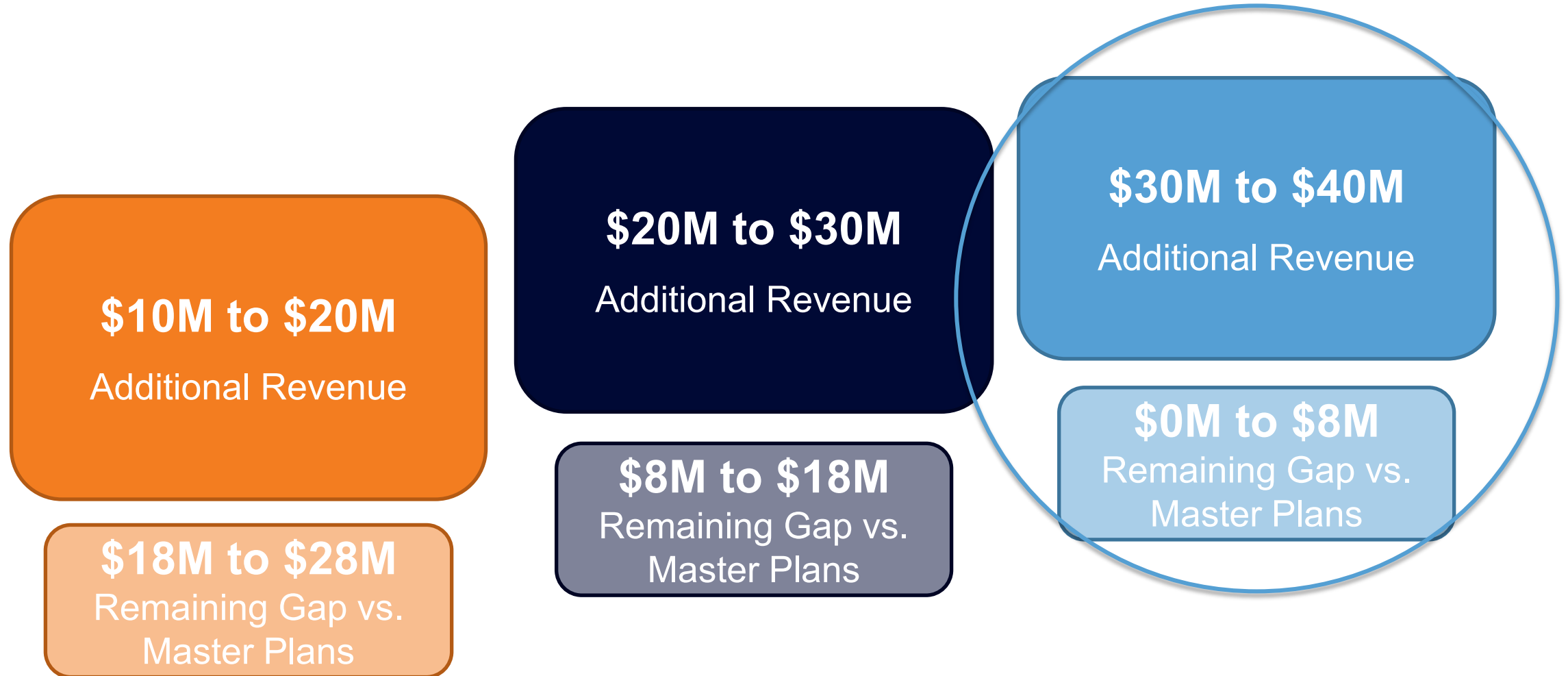
To Accelerate Community  
Transition From Fossil  
Fuels  
\$6M+ Annual Gap

## Annual Revenue Gap

**\$30M to \$38M+**



Category	Funding Mechanism	Annual Revenue Estimate	Resident Impact
Sales Tax	¼ Cent Sales Tax (dedicated, ongoing or repurpose)	\$9M+	<ul style="list-style-type: none"> <li>• <b>\$30.67</b> average per/year for a resident</li> <li>• Sales tax on food would remain at 2.25%</li> <li>• Visitors also impacted</li> </ul>
Property Tax	1 Mill Property Tax	\$3.5M	<ul style="list-style-type: none"> <li>• Residential annual increase of <b>\$21.45</b></li> <li>• Commercial annual increase of <b>\$87.00</b></li> </ul>
	2 Mill Property Tax	\$7M	<ul style="list-style-type: none"> <li>• Residential annual increase of <b>\$42.90</b></li> <li>• Commercial annual increase of <b>\$174.00</b></li> </ul>
	3 Mill Property Tax	\$11M+	<ul style="list-style-type: none"> <li>• Residential annual increase of <b>\$64.35</b></li> <li>• Commercial annual increase of <b>\$261.00</b></li> </ul>
Excise Tax	5% Tax on Specific Goods	\$5M	<ul style="list-style-type: none"> <li>• <b>\$5 per \$100 purchase</b> in Fort Collins</li> <li>• Visitors also impacted</li> </ul>
User Fee	\$5 Monthly User Fee	\$4M	<ul style="list-style-type: none"> <li>• <b>\$60</b> annually/resident</li> </ul>
	\$10 Monthly User Fee	\$8M	<ul style="list-style-type: none"> <li>• <b>\$120</b> annually/resident</li> </ul>
	Commercial User Fee	TBD	<ul style="list-style-type: none"> <li>• TBD for commercial properties in Fort Collins</li> </ul>
Capital Expansion Fee	Reconfigure/ Broaden Application	\$2M	<ul style="list-style-type: none"> <li>• Net neutral for residential and commercial permit fees</li> </ul>



Category	Funding Mechanism	Annual Revenue Estimate	Stakeholder Impact
Sales Tax	¼ New Cent Dedicated Sales Tax	\$9M+	<ul style="list-style-type: none"> <li>• <b>\$30.67</b> average per/year for a resident</li> <li>• Sales tax on food would remain at 2.25%</li> </ul>
Property Tax	3 Mill Property Tax	\$11M+	<ul style="list-style-type: none"> <li>• Residential annual increase of <b>\$64.35</b></li> <li>• Commercial annual increase of <b>\$261.00</b></li> </ul>
Excise Tax	5% Tax on Specific Goods	\$5M	<ul style="list-style-type: none"> <li>• <b>\$5 per \$100 purchase</b> in Fort Collins</li> <li>• Visitors also impacted</li> </ul>
Total	Sales Tax 4.1%	\$25M	<ul style="list-style-type: none"> <li>• <b>\$95 net annual increase per resident + impact of excise tax</b></li> </ul>

Category	Funding Mechanism	Annual Revenue Estimate	Stakeholder Impact
Sales Tax	¼ Cent Repurposed Sales Tax	\$9M+	• Net neutral
	3 Mill Property Tax	\$11M+	• Residential annual increase of <b>\$64.35</b> • Commercial annual increase of <b>\$261.00</b>
Excise Tax	5% Tax on Specific Goods	\$5M	• <b>\$5 per \$100 purchase</b> in Fort Collins • Visitors also impacted
User Fee	\$10 Monthly User Fee	\$8M	• <b>\$120</b> annually/resident
	Commercial User Fee	TBD*	• TBD for commercial properties in Fort Collins
<b>Total</b>	<b>Sales Tax 3.85%</b>	<b>\$25M**</b>	• <b>\$184.35 net annual increase per resident</b>

\*TBD targeting full replacement of existing ¼ cent tax

\*\*"New" funding toward four priorities

Category	Funding Mechanism	Annual Revenue Estimate	Stakeholder Impact
Sales Tax	¼ Cent Dedicated Sales Tax	\$9M+	<ul style="list-style-type: none"> <li>• <b>\$30.67</b> average per/year for a resident</li> <li>• Sales tax on food would remain at 2.25%</li> </ul>
	¼ Cent Repurposed Sales Tax	\$9M+	<ul style="list-style-type: none"> <li>• Net neutral</li> </ul>
Property Tax	3 Mill Property Tax	\$11M+	<ul style="list-style-type: none"> <li>• Residential annual increase of <b>\$64.35</b></li> <li>• Commercial annual increase of <b>\$261.00</b></li> </ul>
Excise Tax	5% Tax on Specific Goods	\$5M	<ul style="list-style-type: none"> <li>• <b>\$5 per \$100 purchase</b> in Fort Collins</li> <li>• Visitors also impacted</li> </ul>
	\$10 Monthly User Fee	\$8M	<ul style="list-style-type: none"> <li>• <b>\$120</b> annually/resident</li> </ul>
User Fee	Commercial User Fee	TBD*	<ul style="list-style-type: none"> <li>• TBD for commercial properties in Fort Collins</li> </ul>
<b>Total</b>	<b>Sales Tax 4.1%</b>	<b>\$34M**</b>	<ul style="list-style-type: none"> <li>• <b>\$215 net annual increase per resident</b></li> </ul>

\*TBD targeting full replacement of existing ¼ cent tax

\*\*"New" funding toward four priorities

Mechanism	Revenue	Use	Variables
Sales Tax	\$9M+	Parks & Recreation	Broad support. Clear narrative.
		Affordable Housing	Support. More than triple historical funding. Advances climate action.
		Transit	Support. Initial years fund capital. Later years fund operations. Advances climate action.
Property Tax	\$11M to \$14M	Parks & Recreation	Broad support. Can tie housing valuation directly to proximity to parks.
		Affordable Housing	Support. More than triple historical funding. Advances climate action. Can tie housing need to existing housing supply.
		Transit	Support. Initial years fund capital. Later years fund operations. Advances climate action. Direct linkage to property tax not required and harder to connect to transit.
Excise Tax	\$5M	Parks & Recreation Affordable Housing Transit Climate	Can select a product directly related to one of the focus areas to advance goal (i.e. sporting equipment/P&R; Plastics/Climate; Auto related/Transit) or can select any product and state where funding will go (i.e. cannabis)
User Fee	\$9M	Street Maintenance	Fee must benefit fee payer. This would be used to off-set current dedicated street maintenance tax and allowing “re-purposing” of the dedicated tax.

Annual Gap (\$M)	Operations & Maintenance (Daily Tasks)	Infrastructure Replacement
Parks	\$1.0	\$8.2
Recreation	\$0.0	\$2.3
Planting Refresh		\$0.6
<b>Total</b>	<b>\$1.0</b>	<b>\$11.1</b>

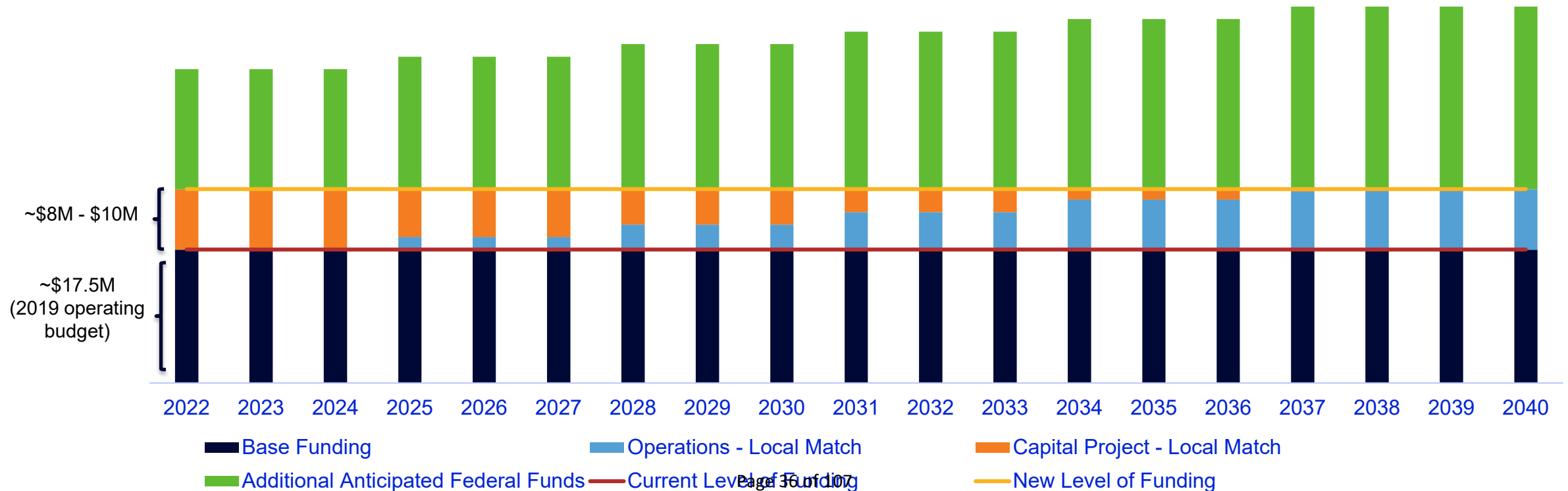
Operations and Maintenance - the daily tasks needed to keep parks and recreation facilities running and minor repairs to capital assets to keep them in a good state of repair, such as water management, turf care, trash & recycling in parks.

Infrastructure Replacement (Capital) - Critical maintenance or repair of existing assets, can also include strategic changes to existing parks or recreation facilities and design elements

- Smaller replacements, like replacements of courts or playgrounds, typically require one-time funding and are not likely to increase annual operations and maintenance costs.
- Can also include strategic changes to existing parks or recreation facilities and design elements that may trigger slight increases in annual operations and maintenance costs.
- \$11M annual gap include recreation needs



- The area between the lines represents new funds needed to build & operate the TMP
- A significant amount of federal grant funding is anticipated: current assumed matches range from 80/20 to 50/50 (grant/local)
- Capital projects will be the initial focus with service levels increasing as capital projects are completed
- Some service level increase is anticipated due to population growth, higher frequency routes, and route extension



## Accelerate Implementation of the Housing Strategic Plan

***Expand the City's competitive process*** to better support projects seeking to: Acquire land, develop housing, preserve existing housing, support residents.

***Examples:***

- Housing acquisition (redevelopment/preservation)
- Land acquisition
- New construction costs
- Affordable homeownership renovation
- Renovation of affordable rental housing
- Homeownership assistance

***Expand or initiate City-led efforts*** as identified in adopted policies including the Housing Strategic Plan, City Strategic Plan, and HUD Consolidated Plan.

***Examples:***

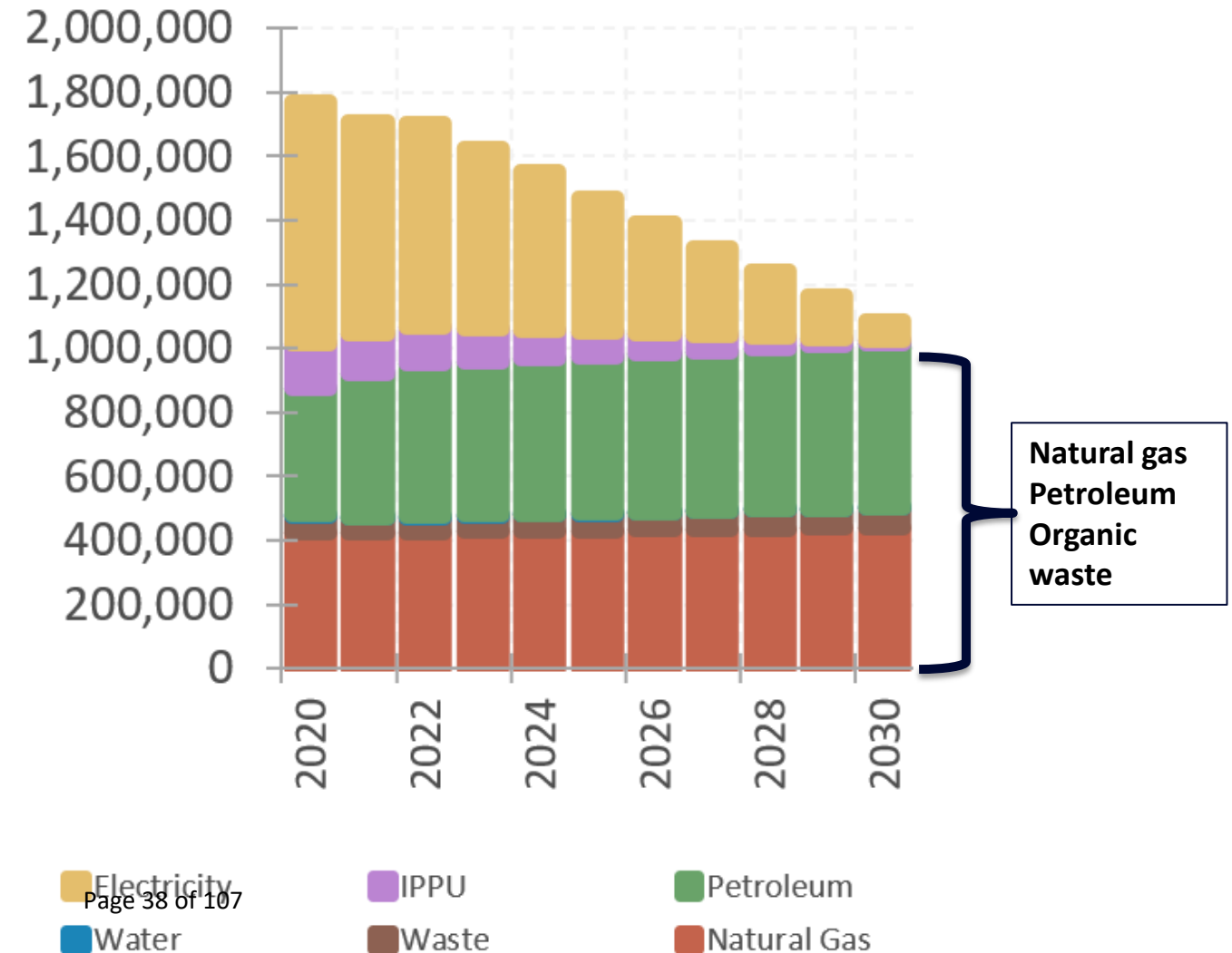
- Land Bank acquisition (expand)
- Extend affordability restrictions
- Fee credits for qualifying projects (expand)
- Develop incentive programs (energy efficiency, voluntary affordability restrictions, etc.)
- Explore redevelopment partnerships
- Other innovative approaches (middle income, mixed income, etc.)

## Key Pathways

- Platte River committed to 100% renewable electricity by 2030
- Reduced **petroleum** use (vehicles)
- Diversion of **organic waste** (universal composting)
- Reduced **natural gas** use (buildings)

## Community Carbon Emissions

MTCO<sub>2</sub>e by Resource



## Election Timeline Options (TBD following 2022 November election)



Street Maintenance and Community Capital Taxes expire December 31, 2025.  
November 2024 and April 2025 would be traditional elections to target for renewal.

## Upcoming Council Work Session

- December 13, 2022

## Council Finance Meeting

- February 2023 to determine preferred election cycles
- Schedule an agenda item on carbon incentives/penalties



## **How to best utilize December 13<sup>th</sup> Council Work Session:**

1. Does CFC want to recommend or eliminate any of the models presented?
  2. Does CFC agree with proposed Work Session direction and questions?
  3. What additional information should be included at the Work Session in December?
- 

## **Upcoming Work Session Purpose & Outcomes:**

Background and models for new revenue.

## **Questions:**

1. Does City Council support any of the models presented?
2. Does City Council have questions or suggestions related to the pairing between revenue mechanism and funding need?
3. What other questions does City Council have?



# Backup



	Mechanism	Annual Revenue Projection	Impact to Residents
1	Special districts (Library District Mill Levy 3.0)	\$11M+	Business, Resident
2	Property tax (Library District Mill Levy 3.0)	\$11M+	Business, Resident
3	Large emitters fee	\$11M+	Business
4	¼ cent sales tax base rate increase	\$9M+	Resident, Visitor
5	¼ cent additional dedicated sales tax	\$9M+	Resident, Visitor
6	Repurpose ¼ cent dedicated tax	\$9M+	Resident, Visitor
7	Excise tax on specific goods	\$5M	Resident, Visitor
8	Business occupational privilege tax (\$4 monthly/\$48 annually)	\$4M+	Business
9	Tax on services (i.e., haircuts, vet service, financial services, etc.)	\$4M+	Business, Visitor
10	User Fees (parks, transit) (\$5 monthly fee/ \$60 annually)	\$4M	Resident
11	Reconfigure capital expansion fees (Affordable housing)	\$2M	Business
12	Establish new capital expansion fees (Affordable housing)	\$2M	Business
13	Carbon Tax	\$2M	Business

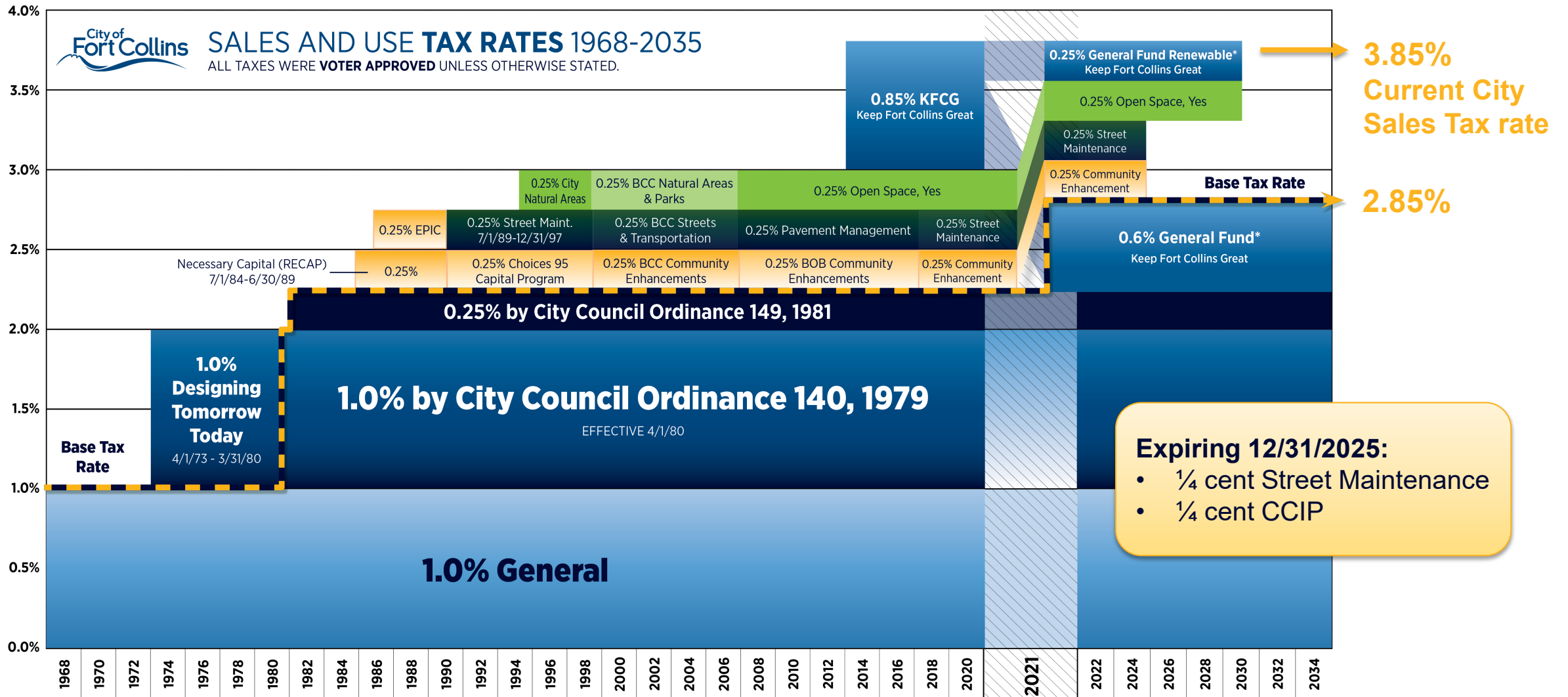
Category	Funding Mechanism	Annual Revenue Estimate	Stakeholder Impact
Sales Tax	¼ Cent Sales Tax (dedicated, ongoing or repurpose)	\$9M+	<ul style="list-style-type: none"> <li>\$30.67 average per/year for a resident</li> <li>Sales tax on food would remain at 2.25%</li> <li>Visitors also impacted</li> </ul>
Property Tax	1 Mill Property Tax	\$3.5M	<ul style="list-style-type: none"> <li>Residential annual increase of \$21.45</li> <li>Commercial annual increase of \$87.00</li> </ul>
	2 Mill Property Tax	\$7M	<ul style="list-style-type: none"> <li>Residential annual increase of \$42.90</li> <li>Commercial annual increase of \$174.00</li> </ul>
	3 Mill Property Tax	\$11M+	<ul style="list-style-type: none"> <li>Residential annual increase of \$64.35</li> <li>Commercial annual increase of \$261.00</li> </ul>
Excise Tax	5% Tax on Specific Goods	\$5M	<ul style="list-style-type: none"> <li>\$5 per \$100 purchase in Fort Collins</li> <li>Visitors also impacted</li> </ul>
User Fee	\$5 Monthly User Fee	\$4M	<ul style="list-style-type: none"> <li>\$60 annually/resident</li> </ul>
	\$10 Monthly User Fee	\$8M	<ul style="list-style-type: none"> <li>\$120 annually/resident</li> </ul>
	Commercial User Fee	TBD	<ul style="list-style-type: none"> <li>TBD for commercial properties in Fort Collins</li> </ul>
Total	Sales Tax 3.85%	\$15M	<ul style="list-style-type: none"> <li>\$162.90 net annual increase per resident</li> </ul>

Category	Funding Mechanism	Annual Revenue Estimate	Stakeholder Impact
Sales Tax	¼ Cent Dedicated Sales Tax	\$9M+	<ul style="list-style-type: none"> <li>\$30.67 average per/year for a resident</li> <li>Sales tax on food would remain at 2.25%</li> </ul>
	¼ Cent Ongoing Sales Tax	\$9M+	<ul style="list-style-type: none"> <li>\$30.67 average per/year for a resident</li> <li>Sales tax on food would remain at 2.25%</li> </ul>
	¼ Cent Repurposed Sales Tax	\$9M+	<ul style="list-style-type: none"> <li>Net neutral</li> </ul>
Property Tax	1 Mill Property Tax	\$3.5M	<ul style="list-style-type: none"> <li>Residential annual increase of \$21.45</li> <li>Commercial annual increase of \$87.00</li> </ul>
	2 Mill Property Tax	\$7M	<ul style="list-style-type: none"> <li>Residential annual increase of \$42.90</li> <li>Commercial annual increase of \$174.00</li> </ul>
	3 Mill Property Tax	\$11M+	<ul style="list-style-type: none"> <li>Residential annual increase of \$64.35</li> <li>Commercial annual increase of \$261.00</li> </ul>
Excise Tax	5% Tax on Specific Goods	\$5M	<ul style="list-style-type: none"> <li>\$3 to \$5 per \$100 purchase in Fort Collins</li> <li>Visitors also impacted</li> </ul>
User Fee	\$5 Monthly User Fee	\$4M	<ul style="list-style-type: none"> <li>\$60 annually/resident</li> </ul>
	\$10 Monthly User Fee	\$8M	<ul style="list-style-type: none"> <li>\$120 annually/resident</li> </ul>
	Commercial User Fee	TBD*	<ul style="list-style-type: none"> <li>TBD for commercial properties in Fort Collins</li> </ul>
Total	Sales Tax 3.85%	\$14M**	<ul style="list-style-type: none"> <li>\$120 net annual increase per resident</li> </ul>

\*TBD targeting full replacement of existing ¼ cent tax

\*\*"New" funding toward four priorities

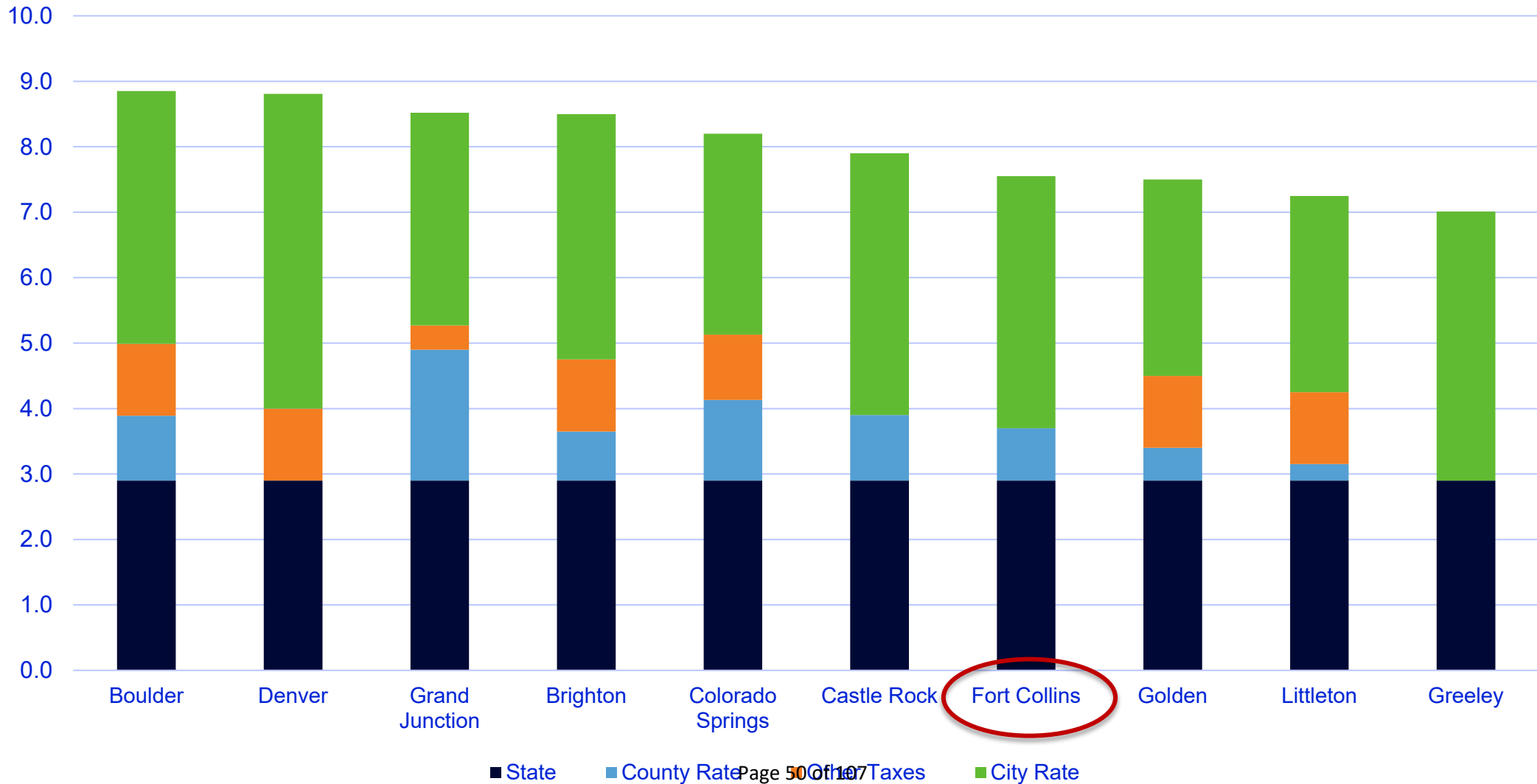
Funding Option	Mechanics	Considerations
Property Tax	<ul style="list-style-type: none"> <li>A mill is 1/10<sup>th</sup> of a penny</li> <li>\$1.00 revenue for each \$1,000 of assessed value</li> <li>Residential assessment rate = 7.15%</li> <li>Commercial assessment rate = 29.0%</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval required</b></li> <li>Less Volatile than Sales Tax</li> <li>Current City mill levy of 9.797 not increased since 1992</li> <li>Property values have increased; not the City's mill levy</li> </ul>
Sales Tax	<ul style="list-style-type: none"> <li>Increase sales tax by ¼ cent</li> <li>Captures revenue from residents &amp; visitors</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval required</b></li> <li>Funded by both residents &amp; visitors</li> <li>Volatile during a recession</li> </ul>
Excise Tax	<ul style="list-style-type: none"> <li>An excise tax is a legislated tax on specific goods or services at purchase such as fuel, tobacco, and alcohol</li> <li>City of Boulder implemented a sugar sweetened beverage tax of \$0.02 per fluid ounce in 2016; Fort Collins estimate of \$4M+</li> <li>Other potential products: Beverages in plastic containers, marijuana</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval required</b></li> <li>Revenue impacted by sales/recession</li> </ul>
User Fee	<ul style="list-style-type: none"> <li>Monthly fee applied to residential &amp; commercial utility bill</li> <li>Fees must be reasonably related to the actual cost of the program or service funded by the fee</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval NOT required</b></li> <li>Flat fee would have disparate impact on residents with lower income levels</li> </ul>
Capital Expansion Fee	<ul style="list-style-type: none"> <li>Fees are collected for the purpose of funding additional improvements required to address the impact of growth within the city as population increases</li> </ul>	<ul style="list-style-type: none"> <li><b>Voter approval NOT required</b></li> <li>Reconfigured fees do not fall within the current standard models for capital expansion fees</li> </ul>

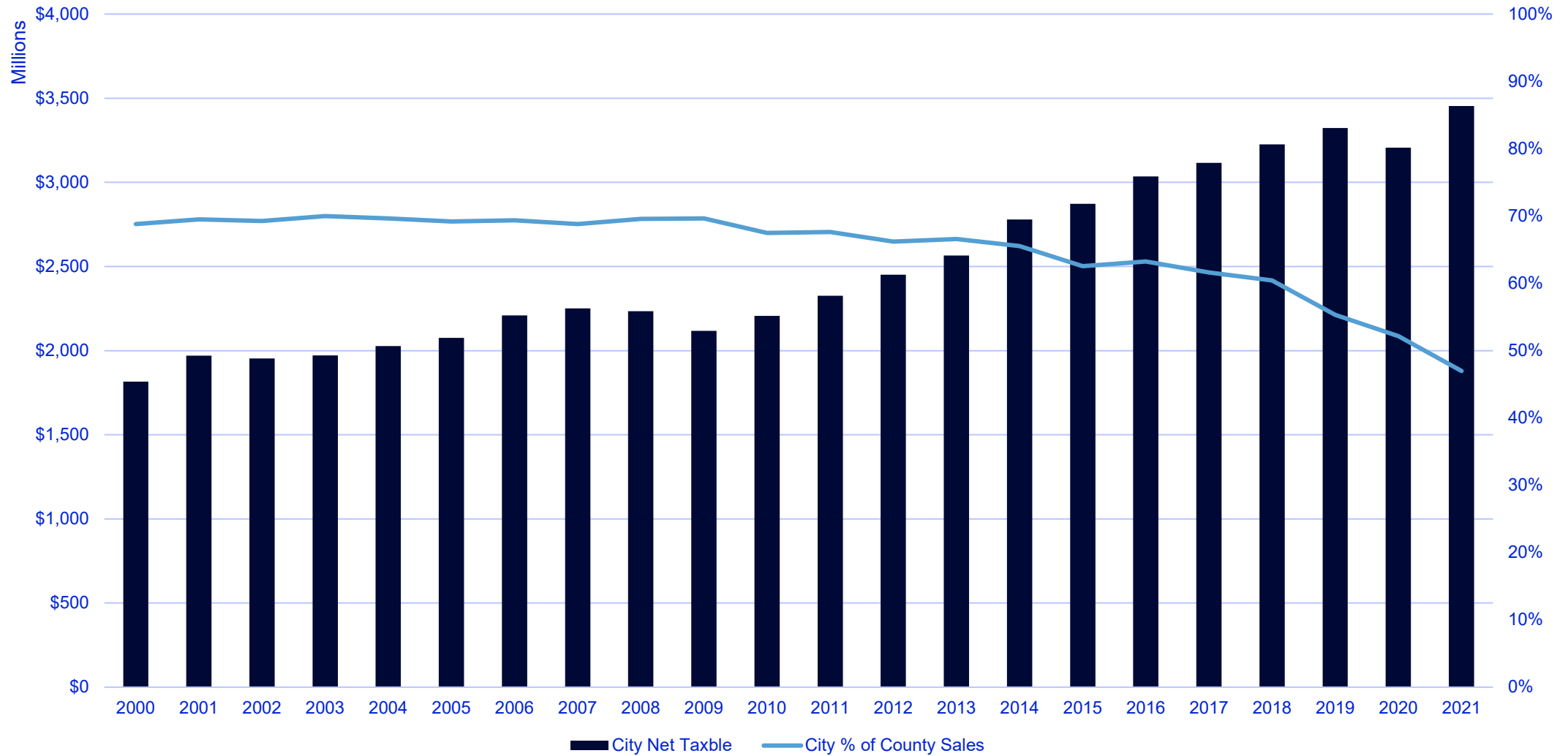


County	Population	Total County Mill Levy	State Rate	County Rate	Other Sales Taxes	City Rate	Seat	*Total Seat Rate
El Paso County	730,395	7.692	2.90	1.23	1.00	3.07	Colorado Springs	8.20
Denver County	715,522	--	2.90	0.00	1.10	4.81	Denver	8.81
Arapahoe County	655,070	13.013	2.90	0.25	1.10	3.00	Littleton	7.25
Jefferson County	582,910	24.578	2.90	0.50	1.10	3.00	Golden	7.50
Adams County	519,572	26.897	2.90	0.75	1.10	3.75	Brighton	8.50
Larimer County	359,066	22.458	2.90	0.80	0.00	3.85	Fort Collins	7.55
Douglas County	357,978	19.274	2.90	1.00	0.00	4.00	Castle Rock	7.90
Boulder County	330,758	24.771	2.90	0.99	1.10	3.86	Boulder	8.85
Weld County	328,981	15.038	2.90	0.00	0.00	4.11	Greeley	7.01
Mesa County	155,703	11.703	2.90	2.00	0.37	3.25	Grand Junction	8.52

\*All counties except Douglas and Larimer have other taxes that include transportation, culture and public safety

Total Tax Rates









## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Lawrence Pollack, Budget Director  
Travis Storin, Chief Financial Officer

**Date:** September 1, 2022

### **SUBJECT FOR DISCUSSION**

First Reading of Ordinance No. , 2022, Making Supplemental Appropriations and Authorizing Transfers of Appropriations in Various City Funds.

First Reading of Ordinance No. , 2022, Appropriating Prior Year Reserves in Various City Funds.

### **EXECUTIVE SUMMARY**

The purpose of these Annual Adjustment Ordinances is to combine dedicated and unanticipated revenues or reserves that need to be appropriated before the end of the year to cover the related expenses that were not anticipated and therefore, not included in the 2022 annual budget appropriation. The unanticipated revenue is primarily from fees, charges, rents, contributions and grants that have been paid to City departments to offset specific expenses.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

- What questions or feedback does the Council Finance Committee have on the 2022 Annual Adjustment Ordinance?
- Does the Council Finance Committee support moving forward with bringing the 2022 Annual Adjustment Ordinance to the full City Council?

### **BACKGROUND/DISCUSSION**

These Ordinances appropriate unanticipated revenue and prior year reserves in various City funds and authorizes the transfer of appropriated amounts between funds and/or projects. The City Charter permits the City Council to appropriate unanticipated revenue received as a result of rate or fee increases or new revenue sources, such as grants and reimbursements. The City Charter also permits the City Council to provide, by ordinance, for payment of any expense from prior year reserves. Additionally, it authorizes the City Council to transfer any unexpended appropriated amounts from one fund to another upon recommendation of the City Manager, provided that the purpose for which the transferred funds are to be expended remains unchanged; the purpose for which they were initially appropriated no longer exists; or the proposed transfer is from a fund or capital project account in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

If these appropriations are not approved, the City will have to reduce expenditures even though revenue and reimbursements have been received to cover those expenditures.

The table below is a summary of the expenses in each fund that make up the increase in requested appropriations. Also included are transfers between funds and/or projects which do not increase net appropriations, but per the City Charter, require City Council approval to make the transfer. A table with the specific use of prior year reserves appears at the end of the AIS.

Funding	Additional Revenue	Prior Year Reserves	Transfers	TOTAL
General Fund	\$648,888	\$692,164	\$0	\$1,341,052
Data & Communications Fund	0	12,500	0	12,500
Equipment Fund	625,793	48,064	0	673,857
Sales & Use Tax Fund	0	0	48,076	48,076
Natural Areas Fund	48,076	0	0	48,076
Golf Fund	0	368,348	0	368,348
CCIP Fund	0	0	25,000	25,000
Cultural Services Fund	25,000	0	0	25,000
Water Fund	80,000	0	0	80,000
Light & Power Fund	4,500,000	0	0	4,500,000
Transportation Services Fund	442,094	0	0	442,094
<b>GRAND TOTAL</b>	<b>\$6,369,851</b>	<b>\$1,121,076</b>	<b>\$73,076</b>	<b>\$7,564,003</b>

## A. GENERAL FUND

### 1. Security Classes provided by Emergency Preparedness and Security (EPS)

Revenue collected from security class participants is intended to help offset the cost of providing security training from FRCC for a 3-day Crime Prevention Through Environmental Design (CPTED) class in April and a 5-Day CPTED training in August 2022. This request includes revenue collected between December 2021 - July 2022 and helps offset all class incurred expenses for 2022. This model uses initial investment to prime the pump, using collected fees to supplement ongoing training.

FROM:	Prior Year Reserves (2021 class revenue)	\$13,621
FROM:	Unanticipated Revenue	\$14,290
FOR:	Security Classes	\$27,911

### 2. Land Bank Operational Expenses

This request is intended to cover expenses related to the land bank property maintenance needs for 2022. Since expenses vary from year to year, funding is requested annually mid-year to cover these costs. Expenses in 2022 include general maintenance of properties, raw water and sewer expenses, electricity, repairs, and other as applicable.

FROM:	Prior Year Reserves (Land Bank reserve)	\$2,750
FOR:	Land Bank Expenses	\$2,750

**3. Fort Collins Police Services (FCPS)** has received revenue from various sources. A listing of these items follows:

- \$36,516 – 2022/2023 BATTLE Grant (Beat Auto Theft Through Law Enforcement) Grant: Police Services was awarded a grant from the Colorado State Patrol to help prevent auto theft in Colorado.
- \$44,805 – 2022/2023 Black Market Marijuana Grant: Police Services was awarded the Marijuana grant to support the investigation and prosecution of black market or illegal marijuana cultivation and distribution in the city.
- \$75,152 – 2022 Body Worn Camera Grant: In December of 2021, Police Services was awarded a grant to help fund the upgrade of body worn cameras because of the passing of HB 21-1250. This item is to appropriate the money that was received in 2022.
- \$11,400 - 2022 Click it or Ticket Grant: In 2021 Police Services was awarded a Click it or Ticket Grant from the Colorado Department of Transportation to pay for officers to work overtime to conduct enforcement activities.

- e. \$7,868 - 'Contribution to Northern Colorado Drug Taskforce: As a part of the City of Fort Collins contribution to the Northern Colorado Drug Taskforce, any Drug Offender Surcharge, or Court Ordered Restitution that is remitted from Larimer County Court to Fort Collins Police, is then passed along to the NCDTF. Any additional restitution that is collected by FCPS is additionally passed along to the NCDTF.
- f. \$11,400 - 2021/2022 High Visibility Enforcement (HVE) Grant: Police Services was awarded a grant from the Law Enforcement Assistance Fund to pay for overtime for DUI enforcement.
- g. \$15,000 – 2022/2023 HVE Grant: Police Services was awarded a grant from the Law Enforcement Assistance Fund to pay for overtime for DUI enforcement
- h. \$7,682 – 2021 ICAC Grant (Internet Crimes Against Children): In June of 2021 Police Services was awarded the ICAC grant, but the corresponding appropriation was inadvertently excluded from last year's Annual Adjustment Ordinance.
- i. \$300,000 - Northern Colorado Regional Communication Network (NCRCN) Police Radios Upgrades and Repairs: Police Radios have been failing on an increasing level due to aging infrastructure for the Radio Towers in the surrounding area. Information Services is currently working with Motorola and Bearcom to assess the current need, which is still in process. This request is utilizing the dedicated reserves within the General Fund for NCRCN.
- j. \$208,465 - Police Reimbursable Overtime: Police Services help schedule security and traffic control for large events. Since these events are staffed by officers outside of their normal duties, officers are paid overtime. The organization who requested officer presence is then billed for the costs of the officers' overtime. Fort Collins Police Services (FCPS) partners with Larimer County to staff events at The Ranch. Police receives reimbursement from Larimer County for officers' hours worked at Ranch events.
- k. \$42,022 - School Resource Officers: Police Services have a contract with Poudre School District to provide officers on location at a majority of the schools for safety and support. The school district pays Police Services based on a predetermined contract amount and also partially reimbursing for overtime incurred. This request is for the previously billed overtime and anticipated overtime for the remaining year.
- l. \$8,962 - DUI Enforcement: Proceeds that have been received for DUI enforcement from Larimer County.
- m. \$96,243 - Police Miscellaneous Revenue: Police Services receives revenue from the sale of Police reports along with other miscellaneous revenue, like restitution payments, evidence revenue and SWAT training.

**TOTAL APPROPRIATION**

FROM: Unanticipated Revenue (2022/2023 BATTLE Grant)	\$36,516
FROM: Unanticipated Revenue (2022/2023 Black Market Marijuana Grant)	\$44,805
FROM: Unanticipated Revenue (2022 Body Worn Camera Grant)	\$75,152
FROM: Unanticipated Revenue (2022 Click it or Ticket Grant)	\$11,400
FROM: Unanticipated Revenue (Northern Colorado Drug Taskforce)	\$7,868
FROM: Unanticipated Revenue (2021/2022 HVE Grant)	\$11,400
FROM: Unanticipated Revenue (2022/2023 HVE Grant)	\$15,000
FROM: Unanticipated Revenue (2021 ICAC Grant)	\$7,682
FROM: Prior Year Reserves (NCRCN Police Radios Upgrades & Repairs)	\$300,000
FROM: Unanticipated Revenue (Police Reimbursable Overtime)	\$208,465
FROM: Unanticipated Revenue (School Resource Officers)	\$42,022
FROM: Unanticipated Revenue (DUI Enforcement)	\$8,962
FROM: Unanticipated Revenue (Police Miscellaneous Revenue)	<u>\$96,243</u>
	<b>\$865,515</b>

FOR:	Help prevent auto theft	\$36,516
FOR:	Support the investigation of illegal marijuana cultivation	\$44,805
FOR:	Upgrade body worn cameras	\$75,152
FOR:	Overtime for Seat Belt enforcement	\$11,400
FOR:	Contribution to Northern Colorado Drug Task Force	\$7,868
FOR:	Overtime for DUI enforcement	\$26,400
FOR:	Help prevent Internet Crimes Against Children	\$7,682
FOR:	Police Radios Upgrades & Repairs	\$300,000
FOR:	Police Reimbursable Overtime for events	\$208,465
FOR:	Overtime for School Resource Officers	\$42,022
FOR:	DUI enforcement	\$8,962
FOR:	Police Miscellaneous Revenue	<u>\$96,243</u>
		<b>\$865,515</b>

#### 4. Radon Kits

Environmental Services sells radon test kits at cost as part of its program to reduce lung-cancer risk from in-home radon exposure. This appropriation would recover kit sales for the purpose of restocking radon test kits.

FROM:	Unanticipated Revenue (radon kit sales)	\$1,471
FOR:	Radon test kit purchase	\$1,471

#### 5. Manufacturing Equipment Use Tax Rebate

Finance requests the appropriation of \$109,010 to cover the amount due for the 2020 Manufacturing Equipment Use Tax Rebate program as established in Chapter 25, Article II, Division 5, of the Municipal Code. The rebate program was established to encourage investment in new manufacturing equipment by local firms. Vendors have until December 31st of the following year to file for the rebate. This item appropriates the use tax funds to cover the payment of the rebates.

FROM:	Prior Year Reserves (Manufacturing Use Tax Rebate Assignment)	\$109,010
FOR:	Manufacturing Use Tax Rebates	\$109,010

#### 6. Restorative Justice Grant

A grant in the amount of \$67,612 has been awarded and received from the Colorado Division of Criminal Justice (DCJ) Juvenile Diversion fund for the continued operation of Restorative Justice Services, which includes the RESTORE program for shoplifting offenses, the Restorative Justice Conferencing Program (RJCP) and Reflect Program for all other offenses. No match is required for this grant. The grant period is July 1, 2022 to June 30, 2023. Restorative Justice Services and its three programs has been partially grant-funded since its inception in 2000. The Council yearly accepts grant funds from Colorado Division of Criminal Justice to support Restorative Justice Services. This grant helps fund youth referred to the program from the 8th Judicial District Attorney's Office or in lieu of a summons. Since it began, Restorative Justice Services has provided a restorative justice alternative to more than 3,300 young people who committed chargeable offenses in our community.

FROM:	Unanticipated Revenue (Restorative Justice Grant)	\$67,612
FOR:	Restorative Justice Services	\$67,612

#### 7. Administrative transfer of IRS alternative fuel vehicles refund from General Fund to Equipment Fund (refer to item C4)

Operation Services applied for, and received, a refund from the IRS for alternative fuel vehicles. These funds were not identified correctly when received in 2021 and were deposited in the General Fund. This will move the money from the General Fund to the Operation Services Fund.

FROM:	Transfer from Prior Year General Fund reserves (IRS refund)	\$266,783
FOR:	Equipment Fund - Alternative fuel vehicles	\$266,783

## **B. DATA & COMMUNICATIONS FUND**

### **1. Accela Permitting System Upgrade**

The Information Technology (IT) Department is requesting funds from the Development Tracking Systems (DTS) restricted reserves to fund this unanticipated expense request to upgrade the City's permitting platform system. The City's IT department recently received notice that the Accela permitting platform will no longer be supported based on the current version the City is utilizing. This is requiring the City to upgrade to the latest version to avoid losing software support and any potential security risks associated with being out-of-date. Upon initiating the upgrade process, staff identified the need for consultant support to assist the City in upgrading its Development, Test, and Production Accela Civic Platform environments. The City intends to contract with TruePoint Solutions, a vendor that has provided Accela support in the past, to provide services as needed, including software installation, pre-installation/upgrade preparation assistance and post-upgrade support. Once completed, the City's permitting platform will be up to date. It will include a new user interface that offers additional features and functionality not currently available, as well as improve the overall performance of the platform.

FROM:	Prior Year Reserves (DTS assignment)	\$12,500
FOR:	Accela Permitting System Upgrade	\$12,500

## **C. EQUIPMENT FUND**

### **1. Unanticipated Fuel Revenue from Price increase**

The price of wholesale fuel has been higher than budgeted. This has in turn also increase the price at which the various city departments have Operation Services for the fuel. With the anticipated elevated fuel prices for the remainder of the year.

FROM:	Unanticipated Revenue	\$50,000
FOR:	Fuel price increase	\$50,000

### **2. Charge Ahead Grant 2022**

This is a State of Colorado Charge Ahead grant to install multiple electric vehicle chargers at multiple locations. This grant requires a 20% local match which will come from the Operations Services 2022 operating budget.

FROM:	Unanticipated Revenue (Charge Ahead Grant)	\$54,000
FOR:	Electric vehicle chargers	\$54,000

### **3. Unanticipated Revenue and Expense associated with Purchase of Civic Center Condos**

In January of 2022 the City of Fort Collins purchased the Civic Center Condos on Mason Street. These condos are leased out with rental payments coming into the City. The management of the condos have come with costs for operations and maintenance (O&M), and additional appropriation is being requested to cover the O&M costs.

FROM:	Unanticipated Revenue	\$255,010
FOR:	Operations and Maintenance costs	\$255,010

### **4. Administrative transfer IRS alternative fuel vehicles refund from General Fund to Equipment Fund (refer to item A7)**

Operation Services applied for, and received, a refund from the IRS for alternative fuel vehicles. These funds were not identified correctly when received in 2021 and were deposited in the General Fund. This will move the money from the General Fund to the Operation Services Fund.

FROM:	Unanticipated Revenue (IRS refund)	\$266,783
FOR:	Alternative fuel vehicles	\$266,783

## **5. Equipment Fund Debt Service Payment**

The original appropriation of this Certificate of Participants was done through Ordinance No. 73, 2022. This request is for the first interest payment on the loan, which is due in December 2022. This amount is a one-time payment and will come out of Equipment Fund reserves. This amount was not included in the original Ordinance because it was not anticipated that the first interest payment would be due in 2022.

FROM:	Prior Year Reserves	\$48,064
FOR:	2022 interest payment on loan	\$48,064

## **D. SALES & USE TAX FUND**

### **1. Sales Tax transfer to Natural Areas (refer to item E1)**

Sales tax collections were higher than expected in 2021, this is to transfer remaining amount due to Natural Areas Fund.

FROM:	Unanticipated Revenue (Sales tax collections)	\$48,076
FOR:	Transfer to the Natural Areas Fund	\$48,076

## **E. NATURAL AREAS FUND**

### **1. Sales Tax transfer to Natural Areas (refer to item D1)**

Sales tax collections were higher than expected in 2021, this is to transfer remaining amount due to Natural Areas Fund.

FROM:	Unanticipated Revenue via transfer	\$48,076
FOR:	Natural Areas land purchase and operations	\$48,076

## **F. GOLF FUND**

### **1. Golf Fund Debt Service Payment**

The original appropriation of this Certificate of Participations was done through Ordinance No. 72, 2022. This request is for the first interest payment on the loan, which is due in December 2022. This amount is a one-time payment and will come out of Golf Fund reserves. This amount was not included in the original Ordinance because it was not anticipated that the first interest payment would be due in 2022.

FROM:	Prior Year Reserves	\$80,022
FOR:	2022 interest payment on loan	\$80,022

### **2. Golf Player Assistant Pay**

This is the cost associated with contractual labor payment increases to Golf Professionals for fees associated with the required payment of Player Assistants. The Golf Fund is an enterprise fund and receives no tax dollar support. In 2022, the Golf Division required the contracted golf professionals at all three of the City's golf courses to pay for Player Assistants on the golf course. In the past these positions were filled by volunteers that were reimbursed only with playing privileges. Recent changes in labor laws have required these individuals be paid for the work.

FROM:	Prior Year Reserves	\$288,326
FOR:	Contractual Labor payment increases	\$288,326

## **G. COMMUNITY CAPITAL IMPROVEMENT PROGRAM (CCIP) FUND**

### **1. Carnegie Library renovation operations & maintenance support (refer to item H1)**

This is the 2022 amount for the operations and maintenance support for the Carnegie Library renovation

as part of the Community Capital Improvements Program.

FROM:	Unanticipated Revenue	\$25,000
FOR	Transfer to Cultural Services (Carnegie Library)	\$25,000

## H. CULTURAL SERVICES FUND

### 1. Carnegie Library renovation operations & maintenance support (refer to item G1)

This is the 2022 amount for the operations and maintenance support for the Carnegie Library renovation as part of the Community Capital Improvements Program.

FROM:	Unanticipated Revenue via transfer	\$25,000
FOR	Carnegie Library Operations & Maintenance	\$25,000

## I. WATER FUND

### 1. Bureau of Reclamation 2019 additional amount - Grant Xeriscape Incentive Program

This is a Bureau of Reclamation grant R19A00169 was awarded to Water Conservation for the Xeriscape Incentive Program. Reclamation has increased that award by \$5,000. The Bureau of Reclamation released the additional funds after having retained the amount for administrative costs. This money goes toward Xeriscape Incentive Program reimbursements for customers.

FROM:	Unanticipated Revenue (Bureau of Reclamation grant)	\$5,000
FOR	Xeriscape Incentive Program	\$5,000

### 2. Bureau of Reclamation 2022 - Grant Xeriscape Incentive Program

A Bureau of Reclamation grant was awarded to Water Conservation for the Xeriscape Incentive Program. The full grant award of \$75,000 will be used as customer reimbursements for the program. The match funding requirement will be met by the program participants' required match.

FROM:	Unanticipated Revenue (Bureau of Reclamation grant)	\$75,000
FOR	Xeriscape Incentive Program	\$75,000

## J. LIGHT & POWER FUND

### 1. Wholesale Purchased Power

Through July 2022 the amount of wholesale purchased power needed for Residential, Commercial & Industrial sales has exceeded the budgeted amount of \$1,833,680. One of the factors for this increase in cost, besides increased demand, is the amount of intermittent energy sold to Fort Collins Utilities as opposed to dispatchable energy. Intermittent energy costs just over twice the amount of dispatchable energy costs. While our costs for wholesale purchased power have exceeded budget, so has our revenue generated by sales of that energy to the rate payers. Through July 2022 revenues are in excess of budget by \$4,469,729.

FROM:	Unanticipated Revenue (sales of purchased power)	\$2,000,000
FOR	Wholesale purchased power	\$2,000,000

### 2. Systems Additions & Replacement

Through July 2022 the system additions & replacement budget, which is comprised of several business units, is over budget by \$1,297,000. The related revenues generated from development and upgrades to the electric system are over budget by \$3,894,735 through July 2022.

FROM:	Unanticipated Revenue (electric capacity charge)	\$2,500,000
FOR	Electric systems additions & replacements	\$2,500,000



## K. TRANSPORTATION SERVICES FUND

### 1. South Timberline Corridor - Fort Collins-Loveland Water District - Reimbursement for Water Line Improvements

Fort Collins-Loveland Water District (FCLWD) agreed to reimburse the City for water line improvements within the footprint of the City's South Timberline Corridor project. FCLWD asked that the City perform the water line improvements as part of the transportation capital improvement project to minimize traffic disruptions. The water line improvements were not required as part of the City's transportation project. The total amount of the reimbursement is \$132,094 and will be credited to the South Timberline Corridor project.

FROM:	Unanticipated Revenue (reimbursement)	\$132,094
FOR	South Timberline Corridor project	\$132,094

### 2. Shift Your Ride Transportation Demand Management (TDM) Program: Electric Micromobility Pass and Education Series Pilot

The contract with SPIN requires them to pay \$10,000 to the City annually for transportation programs deemed appropriate by City staff. These funds will be used to cover printing costs, payroll taxes on the employee SPIN passes, and other expenses associated with the program.

FROM:	Unanticipated Revenue (Vendor payment (SPIN))	\$10,000
FOR	Shift Your Ride TDM Program	\$10,000

### 3. Streets: Work for Others

The Planning, Development and Transportation Work for Others program is a self-supported program for all "Work for Others" activities within Streets. Expenses are tracked and billed out to other city departments, Poudre School District, CSU, CDOT, Larimer County, developers and other public agencies. The original budget of \$3.0M was an estimate based on scheduled projects and anticipated rates. Due to increased cost of asphalt, fuel, parts, and other materials, an additional \$300,000 is requested to cover costs through the end of 2022. Revenue for performing the work will offset the expense (note: expense will not be incurred without offsetting revenue).

FROM:	Unanticipated Revenue (reimbursement for work done)	\$300,000
FOR	Work for Others program	\$300,000

## FINANCIAL / ECONOMIC IMPACTS

This Ordinance increases total City 2022 appropriations by \$7,564,003. Of that amount, this Ordinance increases General Fund 2022 appropriations by \$1,341,052, including use of \$692,164 in prior year reserves. Funding for the total increase to City appropriations is \$6,369,851 from unanticipated revenue, \$1,121,076 from prior year reserves, and \$73,076 from transfers between Funds.

The following is a summary of the items requesting prior year reserves:

Item #	Fund	Use	Amount
A1	General Fund	Emergency Preparedness and Security (EPS) Security Classes	\$13,621
A2	General Fund	Land Bank Operational Expenses	2,750
A3i	General Fund	NCRCN Police Radios Upgrades and Repairs	300,000
A5	General Fund	Manufacturing Equipment Use Tax Rebate	109,010
A7	General Fund	Administrative transfer IRS alternative fuel vehicles refund from General Fund to Equipment Fund	266,783
B1	Data & Comm. Fund	Accela Permitting System Upgrade	12,500
C5	Equipment Fund	Equipment Fund Debt Service Payment	48,064
F1	Golf Fund	Golf Fund Debt Service Payment	80,022
F2	Golf Fund	Golf Player Assistant Pay	288,326
Total Use of Prior Year Reserves:			\$1,121,076

## **ATTACHMENTS**

Attachment #1 – Presentation to City Council Finance Committee





**2022 Annual Adjustment Ordinance**

**Council Finance Committee – September 1, 2022**



## **The recommended 2022 Annual Adjustment Ordinance is intended to address:**

- 2022 unanticipated revenues (e.g., grants & reimbursements)
- Appropriation of unassigned reserves to fund unanticipated expenditures associated with approved 2022 appropriations
- Should be routine and non-controversial
- Items approved by the ordinance need to be spent within fiscal / calendar year 2022, unless non-lapsing in nature

## **City-wide Ordinance No.     , 2022 increases total City 2022 appropriations by \$7,564k**

- This Ordinance increases General Fund 2022 appropriations by \$1,341k, including the use of \$692k in prior year reserves. Those reserves are primarily for:
  - \$300k for NCRCN Police Radios Upgrades and Repairs
  - \$109k for Manufacturing Equipment Use Tax Rebate
  
- Funding for the total City appropriation of \$7,564k is:
  - \$6,369k from Unanticipated Revenue
  - \$1,121k from Prior Year Reserves
  - \$73k from Transfers Between Funds

Funding (all values in \$k)	Additional Revenue	Prior Year Reserves	Transfers	TOTAL
General Fund	\$649	\$692	\$0	\$1,341
Data & Communications Fund	\$0	13	\$0	13
Equipment Fund	626	48	0	674
Sales & Use Tax Fund	0	0	48	48
Natural Areas Fund	48	0	0	48
Golf Fund	0	368	0	368
CCIP Fund	0	0	25	25
Cultural Services Fund	25	0	0	25
Water Fund	80	0	0	80
Light & Power Fund	4,500	0	0	4,500
Transportation Services Fund	442	0	0	442
<b>GRAND TOTAL</b>	<b>\$6,370</b>	<b>\$1,121</b>	<b>\$73</b>	<b>\$7,564</b>

Item (in \$k)	General Fund	Equipment Fund	Light & Power Fund	Other	TOTAL
NCRCN Police Radios Upgrades and Repairs	\$300.0				\$300.0
Police Reimbursable Overtime	\$208.5				\$208.5
Manufacturing Equipment Use Tax Rebate	\$109.0				\$109.0
Unanticipated Revenue and Expense associated with Purchase of Civic Center Condos		\$255.0			\$255.0
Administrative transfer IRS alternative fuel vehicles refund from General Fund to Equipment Fund (refer to item A7)		\$266.8			\$266.8
Wholesale Purchased Power			\$2,000.0		\$2,000.0
Systems Additions & Replacement			\$2,500.0		\$2,500.0
Golf Player Assistant & Streets Work for Others				\$588.3	\$588.3
<b>Sub-Total</b>	<b>\$617.5</b>	<b>\$521.8</b>	<b>\$4,500.0</b>	<b>\$588.3</b>	<b>\$6,227.6</b>
All Other Recommended Items	723.6	152.1	-	460.8	1,336.4
<b>TOTAL</b>	<b>\$1,341.1</b>	<b>\$673.9</b>	<b>\$4,500.0</b>	<b>\$1,049.1</b>	<b>\$7,564.0</b>

## Guidance Requested:

- What questions or feedback does the Council Finance Committee have on the 2022 Annual Adjustment Ordinance?
- Does the Council Finance Committee support moving forward with bringing the 2022 Annual Adjustment Ordinance to the full City Council?





## **COUNCIL FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Blaine Dunn, Accounting Director

**Date:** September 1, 2022

**SUBJECT FOR DISCUSSION:** Status of Fund Balances and Working Capital

### **EXECUTIVE SUMMARY:**

The attached presentation gives a status of fund balances and working capital. Fund balances are primarily considered for funding one-time offers during the Budgeting for Outcomes process. To a lesser extent, available monies are also used to fund supplemental appropriations between BFO cycles.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

General update to Council Finance Committee

### **BACKGROUND/DISCUSSION**

To aid in answering the question of what funding is available to support emerging issues and initiatives in the next budget cycle. In each fund the balances are shown vertically by the accounting classifications. The amounts are then additionally categorized into Appropriated, Available with Constraints, and Available for Nearly Any Purpose.

*Appropriated, Minimum Policy or Scheduled* is comprised of minimum fund balances established by policy, funds from the 2021 balance that have been appropriated in 2022, and amounts for projects specifically identified by voters. An example of the latter is Community Capital Improvements Plan.

*Available with Constraints* are those balances available for appropriation but within defined constraints. An example are donations received through City Give. They are restricted for the purpose of the donation, but still available for appropriation.

*Available for Nearly Any Purpose* are balances that are available for appropriation at the discretion of the City Council.

### **ATTACHMENTS**

A. PowerPoint presentation





## Status of Fund Balances

Blaine Dunn, Accounting Director

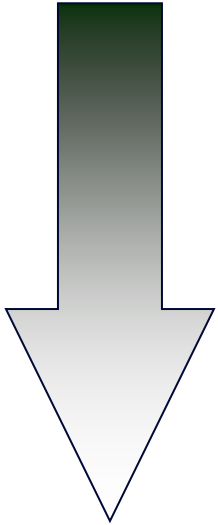
Page 70 of 107

September 1, 2022



- Inform Committee on Types of constraints
- Review fund balances as of 12/31/2021
- How Fund Balances are used in the budget process

Most  
Constrained



Least  
Constrained

## **Non-spendable**

- Non-liquid in form (e.g. inventory, long-term receivables, land)
- Legally or contractually required to be maintained intact (e.g. permanent endowments)

## **Restricted**

- Externally / 3<sup>rd</sup> Party enforceable legal restrictions (e.g. TABOR emergency reserve, debt covenants, re-development agreements, IGA's)

## **Committed**

- Constraint formally imposed at the Council or Board Level through Ordinance (e.g. Capital Expansion fees, Neighborhood Parkland fees)

## **Assigned**

- Intended to be used for specific purposes (e.g. Affordable Housing, Camera Radar, Encumbrances), not authoritative

## **Unassigned**

- Available for any City purpose

## **Available but with some constraints**

- Street Maintenance Program within Transportation fund are restricted but available as defined in the ballot language
- Donations made within a fund are available, but for the donations purpose

## **Available for nearly any purpose**

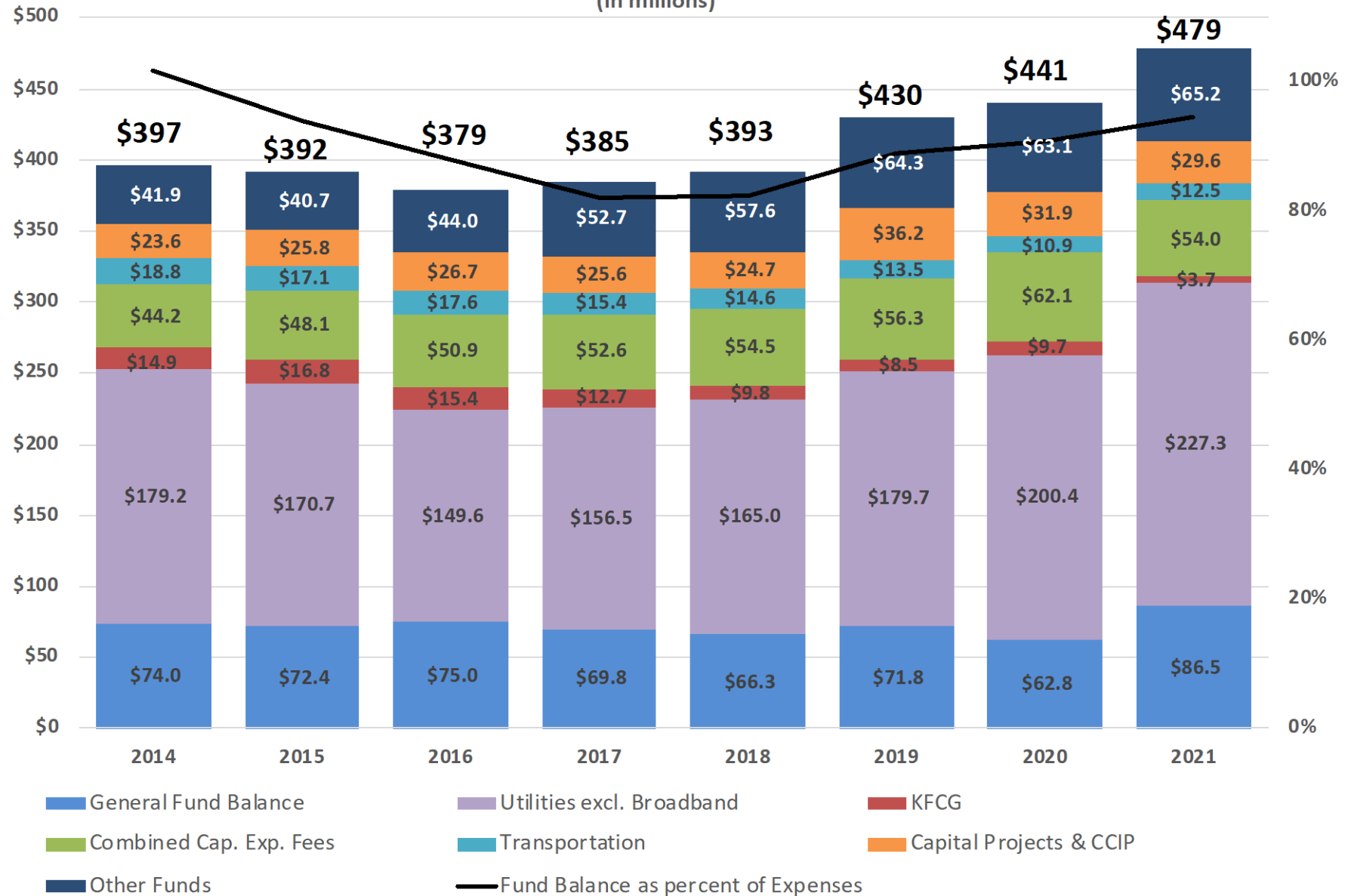
- Funds available at the discretion of the City Council for any municipal purpose

## All City Funds

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>General Fund</b>	\$ 62.8	\$ 86.5	\$ 66.4	\$ 1.3	\$ 18.8
Capital Expansion Fund	26.6	28.8	-	28.8	-
Sales & Use Tax Fund	0.8	2.7	2.7	-	-
GID #1 Fund	0.9	0.5	0.1	0.4	-
Keep Fort Collins Great Fund	9.7	3.7	2.0	1.7	-
Community Capital Imprvmt Plan	15.3	20.5	9.5	11.0	-
Neighborhood Parkland Fund	10.0	6.7	0.4	6.3	-
Conservation Trust Fund	3.5	2.6	1.6	1.0	-
Natural Areas Fund	17.9	20.7	12.0	8.7	-
Cultural Services Fund	2.6	2.7	0.9	1.2	0.6
Recreation Fund	1.4	1.7	0.2	1.5	-
Cemeteries Fund	0.8	0.8	0.1	0.7	-
Perpetual Care Fund	2.1	2.1	-	2.1	-
Museum Fund	0.7	0.7	-	0.7	-
Transit	8.2	4.5	4.5	-	-
Transportation Capital Expansion	25.5	18.5	9.3	9.2	-
Transportation	10.9	12.5	4.0	8.5	-
Parking Fund	1.1	1.7	0.1	1.6	-
Capital Projects Fund	16.6	9.1	9.1	-	-
Golf Fund	1.5	2.7	1.3	1.4	-
Light & Power Fund (excl. Broadband)	48.7	64.6	46.9	17.7	-
Water Fund	81.1	84.3	43.0	41.3	-
Wastewater Fund	43.4	46.9	27.8	19.1	-
Storm Drainage Fund	24.7	29.2	14.7	14.5	-
Equipment Fund	3.1	3.5	2.7	0.8	-
Self Insurance Fund	0.9	(0.1)	2.6	(2.7)	-
Data & Communications Fund	2.4	2.3	1.2	-	1.1
Benefits Fund	15.2	16.1	11.0	5.1	-
Utility Customer Service Fund	2.5	2.3	0.6	1.7	-
<b>TOTAL</b>	<b>\$ 440.9</b>	<b>\$ 478.8</b>	<b>\$ 274.7</b>	<b>\$ 183.6</b>	<b>\$ 20.5</b>
<b>Funds discussed during presentation</b>					

# Fund Balance / Reserves by Year

(in millions)



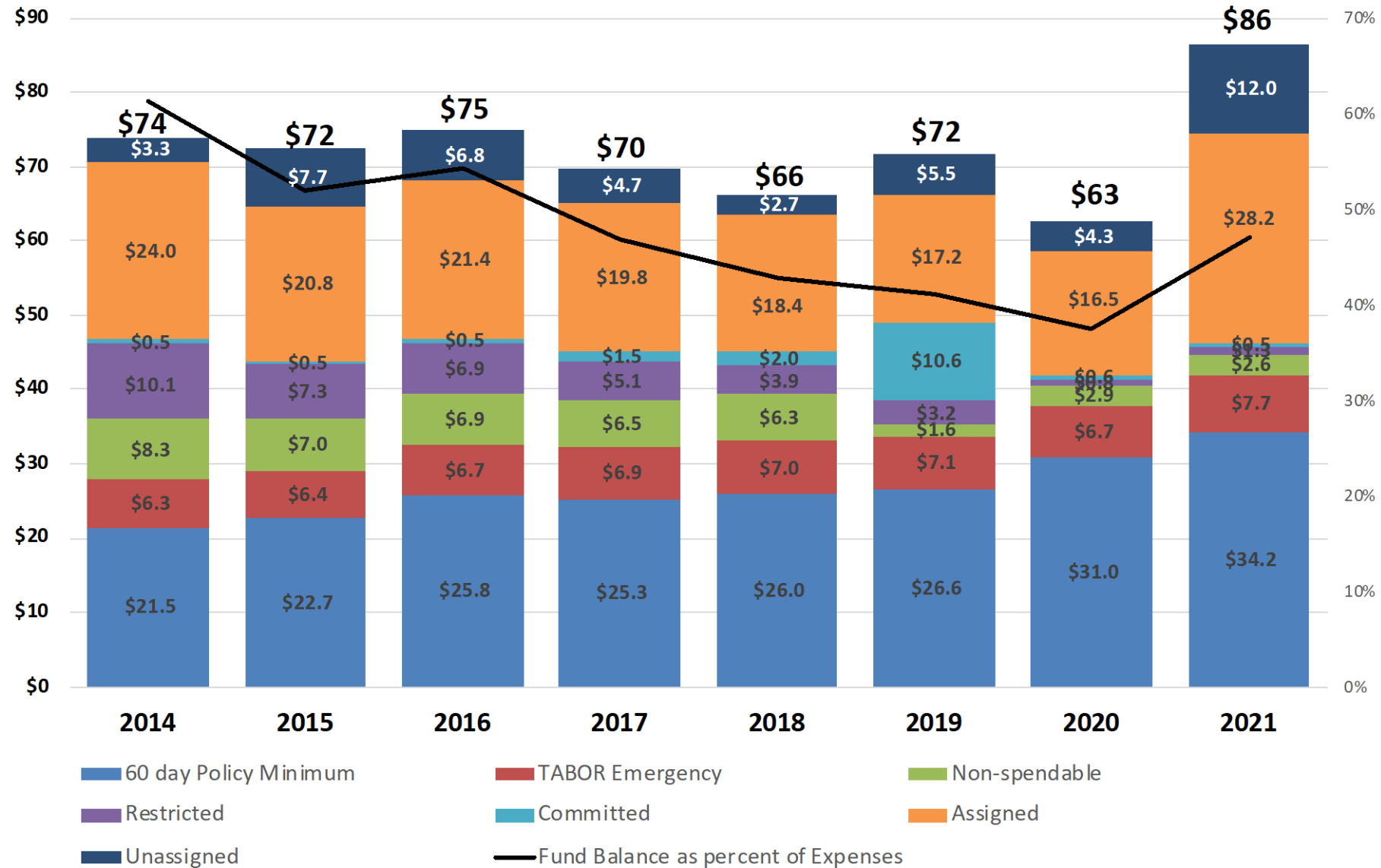


# General Fund - Year End 2021 - \$86.5M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned - Minimum 60 day Policy</b>	\$ 31.0	\$ 34.2	\$ 34.2	\$ -	\$ -
<b>Non-spendable</b>					
Landbank inventory	2.8	2.5	2.5	-	-
Udall Endowment	0.1	0.1	0.1		
<b>Restricted</b>					
TABOR Emergency	6.7	7.7	7.7	-	-
Police Radio Network	0.2	0.3	0.1	0.2	-
Donations & Misc	0.6	1.0	0.4	0.6	-
<b>Committed</b>					
Traffic Calming	0.1	-	-	-	-
Culture & Recreation	0.3	0.3	-	0.3	-
Affordable Housing Land Bank	0.1	0.1	-	0.1	-
Police Regional Training Facility	0.1	0.1	-	0.1	-
<b>Assigned</b>					
Prior Year Purchase Orders	4.0	6.9	6.9	-	-
Manufacturing Use Tax Rebate	0.4	0.2	0.2	-	-
Digital Equity	-	0.1	-	-	0.1
Golf Irrigation System	0.4	0.4	0.4	-	-
Camera Radar	1.4	1.2	-	-	1.2
Waste Innovation	0.2	0.2	-	-	0.2
Cultural Services	0.4	0.5	-	-	0.5
Reappropriation	0.9	0.8	0.8	-	-
Budgeted use of reserves	7.9	5.5	5.5	-	-
Child Care Needs	0.3	0.3	-	-	0.3
Police Programming	0.6	0.6	0.6	-	-
Hughes Land Purchase	-	2.0	-	-	2.0
ERP Replacement	-	2.5	-	-	2.5
Municipal Court Renovation	-	3.0	0.7	-	2.3
Inflation Contingency	-	4.0	-	-	4.0
<b>Unassigned</b>	4.3	12.0	6.3	-	5.7
<b>Year End Total</b>	<b>\$ 62.8</b>	<b>\$ 86.5</b>	<b>\$ 66.4</b>	<b>\$ 1.3</b>	<b>\$ 18.8</b>

# General Fund / Reserves by Year

(in millions)



- \$2.5M Land-bank program inventory, held at lower of cost or market
- \$7.7M is an emergency reserve required by TABOR, equal to 3% of qualified governmental revenue; City also has policy setting an additional \$34.2M aside
- Traditionally fund balances are assigned for camera radar and photo red-light, public safety dispatch system, affordable housing and waste innovation
- \$13.2M is set aside for prior year purchase orders, reappropriation, and budgeted use of reserves

## Keep Fort Collins Great Fund - Year End 2021 - \$3.7M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Street Maintenance	4.6	1.7	1.6	0.1	-
Other Transportation	1.9	0.8	-	0.8	-
Police Services	0.6	-	-	-	-
Fire & Emergency Services	-	-	-	-	-
Parks & Recreation	0.9	0.1	-	0.1	-
Other	1.7	1.1	0.4	0.7	-
<b>Year End Total</b>	<b>\$ 9.7</b>	<b>\$ 3.7</b>	<b>\$ 2.0</b>	<b>\$ 1.7</b>	<b>\$ -</b>

## Transportation Fund - Year End 2021 - \$12.5M

	2019	2020	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>				-	
Street Maintenance - 1/4 Cent	1.6	3.6	-	3.6	
<b>Assigned</b>					
Prior Year Purchase Orders	0.6	1.6	1.6	-	-
Capital Projects	1.6	1.4	1.4	-	-
Harmony Road	5.3	5.0	0.3	4.7	-
Transportation Surplus	1.8	0.9	0.7	0.2	-
<b>Year End Total</b>	<b>\$ 10.9</b>	<b>\$ 12.5</b>	<b>\$ 4.0</b>	<b>\$ 8.5</b>	<b>\$ -</b>

## Natural Areas Fund - Year End 2021 - \$20.7M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Natural Areas	17.3	19.9	11.3	8.6	-
Donations	0.1	0.1	-	0.1	
<b>Assigned</b>					
Prior Year Purchase Orders	0.4	0.6	0.6	-	-
Capital Projects	0.1	0.1	0.1	-	-
<b>Year End Total</b>	<b>\$ 17.9</b>	<b>\$ 20.7</b>	<b>\$ 12.0</b>	<b>\$ 8.7</b>	<b>\$ -</b>

## Recreation Fund - Year End 2021 - \$1.7M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned</b>					
Prior Year Purchase Orders	0.1	0.1	0.1	-	-
Recreation Programs	0.4	0.3	-	0.3	-
Recreation Surplus	0.9	1.3	0.1	1.2	-
<b>Year End Total</b>	<b>\$ 1.4</b>	<b>\$ 1.7</b>	<b>\$ 0.2</b>	<b>\$ 1.5</b>	<b>\$ -</b>

## Parking Fund - Year End 2021 - \$1.7M

	<u>2019</u>	<u>2020</u>	<u>Appropriated, Min. Policy, or Scheduled</u>	<u>Available but with some Constraints</u>	<u>Available for Nearly Any Purpose</u>
<b>Restricted</b>					
CC Parking Garage IGA	1.4	1.8	-	1.8	-
<b>Assigned</b>					
Prior Year Purchase Orders	-	0.1	0.1	-	-
Capital Projects	-	-	-	-	-
DT Parking	(0.3)	(0.2)	-	(0.2)	-
<b>Year End Total</b>	<b>\$ 1.1</b>	<b>\$ 1.7</b>	<b>\$ 0.1</b>	<b>\$ 1.6</b>	<b>\$ -</b>



## Self Insurance Fund - Year End 2021 - \$(0.1)M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Minimum Policy - 25% Operations</b>	\$ 1.5	\$ 1.7	\$ 1.7	\$ -	\$ -
<b>Non-spendable</b>				-	
Prepays	0.6	0.9	0.9	-	
<b>Committed</b>					
Self Insurance surplus / (deficit)	(1.2)	(2.7)	-	(2.7)	-
<b>Year End Total</b>	<b>\$ 0.9</b>	<b>\$ (0.1)</b>	<b>\$ 2.6</b>	<b>\$ (2.7)</b>	<b>\$ -</b>

## Light & Power Fund (excl. Broadband) - Year End 2021 - \$64.6M

	2019	2020	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Minimum Policy - 25% Operations Assigned</b>	\$ 8.0	\$ 8.1	\$ 8.1	\$ -	\$ -
Prior Year Purchase Orders	2.2	2.5	2.5	-	-
Approved Capital Projects	12.6	12.6	12.6	-	-
Budgeted Use of Reserves	2.5	23.7	23.7	-	-
Available for Capital and Operations	23.4	17.7	-	17.7	-
<b>Year End Total</b>	<b>\$ 48.7</b>	<b>\$ 64.6</b>	<b>\$ 46.9</b>	<b>\$ 17.7</b>	<b>\$ -</b>

## Water Fund - Year End 2021 - \$84.3M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Minimum Policy - 25% Operations Assigned</b>	\$ 5.8	\$ 5.8	\$ 5.8	\$ -	\$ -
Prior Year Purchase Orders	1.4	6.1	6.1	-	-
Approved Capital Projects	28.8	25.2	25.2	-	-
Budgeted Use of Reserves	4.0	5.9	5.9	-	-
Available for Capital and Operations	41.1	41.3	-	41.3	-
<b>Year End Total</b>	<b>\$ 81.1</b>	<b>\$ 84.3</b>	<b>\$ 43.0</b>	<b>\$ 41.3</b>	<b>\$ -</b>

## Wastewater Fund - Year End 2021 - \$46.9M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Minimum Policy - 25% Operations Assigned</b>	\$ 3.3	\$ 3.8	\$ 3.8	\$ -	\$ -
Prior Year Purchase Orders	0.5	1.0	1.0	-	-
Approved Capital Projects	13.6	22.5	22.5	-	-
Budgeted Use of Reserves	7.1	0.5	0.5	-	-
Available for Capital and Operations	18.9	19.1	-	19.1	-
<b>Year End Total</b>	<b>\$ 43.4</b>	<b>\$ 46.9</b>	<b>\$ 27.8</b>	<b>\$ 19.1</b>	<b>\$ -</b>

## Storm Drainage Fund - Year End 2021 - \$29.2M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Minimum Policy - 25% Operations Assigned</b>	<b>\$ 1.8</b>	<b>\$ 1.9</b>	<b>\$ 1.9</b>	<b>\$ -</b>	<b>\$ -</b>
Prior Year Purchase Orders	0.3	0.9	0.9	-	-
Approved Capital Projects	7.8	11.8	11.8	-	-
Budgeted Use of Reserves	3.3	0.1	0.1	-	-
Available for Capital and Operations	11.5	14.5	-	14.5	-
<b>Year End Total</b>	<b>\$ 24.7</b>	<b>\$ 29.2</b>	<b>\$ 14.7</b>	<b>\$ 14.5</b>	<b>\$ -</b>



# Additional Funds

## Capital Expansion Fund - Year End 2021 - \$28.8M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Committed</b>					
General Government	13.9	13.7	-	13.7	-
Police	0.6	0.6	-	0.6	-
Fire	2.4	3.0	-	3.0	-
Community Parkland	9.7	11.5	-	11.5	-
<b>Year End Total</b>	<b>\$ 26.6</b>	<b>\$ 28.8</b>	<b>\$ -</b>	<b>\$ 28.8</b>	<b>\$ -</b>

## Sales & Use Tax Fund - Year End 2021 - \$2.7M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Natural Areas	0.8	2.7	2.7	-	-
<b>Year End Total</b>	<b>\$ 0.8</b>	<b>\$ 2.7</b>	<b>\$ 2.7</b>	<b>\$ -</b>	<b>\$ -</b>



## General Improvement District #1 Fund - Year End 2021 - \$0.5M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Committed</b>					
Capital Improvements	0.9	0.5	0.1	0.4	-
<b>Year End Total</b>	<b>\$ 0.9</b>	<b>\$ 0.5</b>	<b>\$ 0.1</b>	<b>\$ 0.4</b>	<b>\$ -</b>

## Community Capital Improvement Plan - Year End 2021 - \$20.5M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Available for ballot projects	7.5	11.0	-	11.0	-
City Park Train	0.1	0.1	0.1	-	-
Gardens Visitor Center Expansion	-	0.1	0.1	-	-
Nature in the City	0.2	0.3	0.3	-	-
Affordable Housing Fund	0.4	0.6	0.6	-	-
Arterial Intersection Imprvmnt	1.2	1.2	1.2	-	-
Bicycle Infrastructure Imprvmnt	0.2	0.2	0.2	-	-
Bike/Ped Grade Separated Cross	1.9	2.0	2.0	-	-
Lincoln Avenue Bridge	0.3	0.3	0.3	-	-
Pedestrian Sidewalk - ADA	0.2	0.1	0.1	-	-
Willow Street Improvements	0.1	0.1	0.1	-	-
Linden Street Renovation	3.2	2.3	2.3		
Carnegie Bldg Renovation	-	2.2	2.2		
<b>Year End Total</b>	<b>\$ 15.3</b>	<b>\$ 20.5</b>	<b>\$ 9.5</b>	<b>\$ 11.0</b>	<b>\$ -</b>

Planned use of \$9.2M in reserves for SE Community Center in 2023

## Neighborhood Parkland Fund - Year End 2021 - \$6.7M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Committed</b>					
Neighborhood Parks	10.0	6.7	0.4	6.3	-
<b>Year End Total</b>	<b>\$ 10.0</b>	<b>\$ 6.7</b>	<b>\$ 0.4</b>	<b>\$ 6.3</b>	<b>\$ -</b>

## Conservation Trust Fund - Year End 2021 - \$2.6M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Parks, Rec & Open Space Capital Improver	3.5	2.6	1.6	1.0	-
<b>Year End Total</b>	<b>\$ 3.5</b>	<b>\$ 2.6</b>	<b>\$ 1.6</b>	<b>\$ 1.0</b>	<b>\$ -</b>

## Cultural Services & Facilities Fund - Year End 2021 - \$2.7M

	2020	2019	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Opera Donation	0.1	0.1	-	0.1	-
<b>Committed</b>					
Art in Public Places	1.0	1.2	0.1	1.1	-
<b>Assigned</b>					
Prior Year Purchase Orders	-	0.1	0.1	-	-
Cultural Services Surplus	1.5	1.3	0.7	-	0.6
<b>Year End Total</b>	<b>\$ 2.6</b>	<b>\$ 2.7</b>	<b>\$ 0.9</b>	<b>\$ 1.2</b>	<b>\$ 0.6</b>

## Cemeteries Fund - Year End 2021 - \$0.8M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned</b>					
Prior Year Purchase Orders	0.1	-	-	-	-
Cemeteries Surplus	0.7	0.8	0.1	0.7	
<b>Year End Total</b>	<b>\$ 0.8</b>	<b>\$ 0.8</b>	<b>\$ 0.1</b>	<b>\$ 0.7</b>	<b>\$ -</b>

## Perpetual Care Fund - Year End 2021 - \$2.1M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Perpetual Care	2.1	2.1	-	2.1	-
<b>Year End Total</b>	<b>\$ 2.1</b>	<b>\$ 2.1</b>	<b>\$ -</b>	<b>\$ 2.1</b>	<b>\$ -</b>

## Museum Fund - Year End 2021 - \$0.7M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned</b>					
Cultural Services Surplus	0.7	0.7	-	0.7	-
<b>Year End Total</b>	<b>\$ 0.7</b>	<b>\$ 0.7</b>	<b>\$ -</b>	<b>\$ 0.7</b>	<b>\$ -</b>



## Transit Fund - Year End 2021 - \$5.7M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned</b>					
Transit Surplus (Deficit)	8.2	4.5	4.5	-	-
<b>Year End Total</b>	<b>\$ 8.2</b>	<b>\$ 4.5</b>	<b>\$ 4.5</b>	<b>\$ -</b>	<b>\$ -</b>

## Transportation CEF Fund - Year End 2021 - \$18.5M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Transportation CEF Surplus	8.5	9.2	-	9.2	-
<b>Assigned</b>					
Capital Projects	12.6	6.3	6.3	-	-
Prior Year Purchase Orders	0.1	0.1	0.1	-	-
Budgeted use of reserves	4.3	2.9	2.9	-	-
<b>Year End Total</b>	<b>\$ 25.5</b>	<b>\$ 18.5</b>	<b>\$ 9.3</b>	<b>\$ 9.2</b>	<b>\$ -</b>

## Capital Project Fund - Year End 2021 - \$9.1M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Restricted</b>					
Building on Basics (BOB)	3.2	0.4	0.4	-	-
Building on Basics Investment Earnings	2.2	-	-	-	-
Donations and Grants	0.1	0.1	0.1	-	-
<b>Committed</b>					
General Fund Supported Projects	8.6	7.5	7.5	-	-
Misc. projects					
Other Investment Earnings	2.0	1.1	1.1	-	-
BCC Residual	0.5	-	-	-	-
<b>Year End Total</b>	<b>\$ 16.6</b>	<b>\$ 9.1</b>	<b>\$ 9.1</b>	<b>\$ -</b>	<b>\$ -</b>

## Golf Fund - Year End 2021 - \$2.7M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Minimum Policy - 12.5% Operations Assigned</b>	\$ 0.4	\$ 0.4	\$ 0.4	\$ -	\$ -
Available for Capital and Operations	1.1	2.3	0.9	1.4	-
<b>Year End Total</b>	<b>\$ 1.5</b>	<b>\$ 2.7</b>	<b>\$ 1.3</b>	<b>\$ 1.4</b>	<b>\$ -</b>

## Equipment Fund - Year End 2021 - \$3.5M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Minimum Policy - 8.3% Operations Assigned</b>	\$ 0.7	\$ 0.7	\$ 0.7	\$ -	\$ -
Prior Year Purchase Orders	-	0.1	0.1	-	-
Equipment surplus	2.4	2.7	1.9	0.8	-
<b>Year End Total</b>	<b>\$ 3.1</b>	<b>\$ 3.5</b>	<b>\$ 2.7</b>	<b>\$ 0.8</b>	<b>\$ -</b>

## Data and Communications Fund - Year End 2021 - \$2.3M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned</b>					
Prior Year Purchase Orders	0.4	0.4	0.4	-	-
Reappropriation	-	0.1	0.1	-	-
Budgeted Use of Reserves	0.5	0.7	0.7	-	-
Data & Communication Surplus	1.5	1.1	-	-	1.1
<b>Year End Total</b>	<b>\$ 2.4</b>	<b>\$ 2.3</b>	<b>\$ 1.2</b>	<b>\$ -</b>	<b>\$ 1.1</b>

## Benefits Fund - Year End 2021 - \$16.0M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Policy minimum - 30% Operations Assigned</b>	\$ 7.0	\$ 6.2	\$ 6.2	\$ -	\$ -
Prior Year Purchase Orders	0.2	1.1	1.1	-	
Budgeted Use of Reserves	2.8	3.7	3.7	-	-
Benefit Surplus	5.2	5.1	-	5.1	-
<b>Year End Total</b>	<b>\$ 15.2</b>	<b>\$ 16.1</b>	<b>\$ 11.0</b>	<b>\$ 5.1</b>	<b>\$ -</b>

## Utility Customer Service Fund - Year End 2021 - \$2.3M

	2020	2021	Appropriated, Min. Policy, or Scheduled	Available but with some Constraints	Available for Nearly Any Purpose
<b>Assigned</b>					
Prior Year Purchase Orders	0.2	0.6	0.6	-	-
Unrestricted	2.3	1.7	-	1.7	-
<b>Year End Total</b>	<b>\$ 2.5</b>	<b>\$ 2.3</b>	<b>\$ 0.6</b>	<b>\$ 1.7</b>	<b>\$ -</b>